# Custodial Agreements

TIAA, FSB Traditional Individual Retirement Account, Simplified Employee Pension (SEP) or Roth Individual Retirement Account Custodial Agreement

## Part one: Traditional/SEP IRAs only

**Articles I to VII are applicable only to Traditional IRAs and are in the form promulgated by the Internal Revenue Service in Form 5305-A (Rev. April 2017) for use in establishing a Traditional Individual Retirement Custodial Account. Section references are to the Internal Revenue Code unless otherwise noted.**

### ARTICLE I

Except in the case of a rollover contribution described in Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e) (16), an employer contribution to a simplified employee pension IRA as described in Section 408(k), or a recharacterized contribution described in Section 408A(d)(6), the Custodian will accept only cash contributions up to $6,000 per year for tax year 2020. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to $7,000 per year for tax year 2020. For tax years after 2020, the above limits will be increased to reflect a cost-of-living adjustment, if any.

### ARTICLE II

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

### ARTICLE III

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

### ARTICLE IV

1. Notwithstanding any provisions of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the Custodial Account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 72. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in:
   - **a.** a single sum or
   - **b.** payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
   - **a.** If the Depositor dies on or after the required beginning date and:

i. The designated beneficiary is the Depositor's surviving Spouse, the remaining interest will be distributed over the surviving Spouse's life expectancy as determined each year until such Spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the Spouse's death will be distributed over such Spouse's remaining life expectancy as determined in the year of the Spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.

ii. The designated beneficiary is not the Depositor's surviving Spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.

iii. There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.

**b.** If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below.

i. The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving Spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 72. But, in such case, if the Depositor's surviving Spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such Spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.

ii. The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving Spouse, no additional contributions may be accepted in the account.

5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "**required minimum distribution**" and is determined as follows.

**a.** The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 72, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving Spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and Spouse's) attained age (or ages) in the year.

**b.** The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 72, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).

**c.** The required minimum distribution for the year the Depositor reaches age 72 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

6. The owner of two or more Traditional IRAs may satisfy the minimum distribution requirements described above by taking from one Traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under Section 408(a)(6).

## ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Section 408(i) and Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

### ARTICLE VI

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

### ARTICLE VII

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

## Part two: Roth IRAs only

**Articles I to VIII are applicable only to Roth IRAs and are in the form promulgated by the Internal Revenue Service in Form 5305-RA (Rev. April 2017) for use in establishing a Roth Individual Retirement Custodial Account. Section references are to the Internal Revenue Code unless otherwise noted.**

### ARTICLE I

Except in the case of a rollover contribution described in Section 408A(e) or, a recharacterized contribution described in Section 408A(d)(6), the Custodian will accept only cash contributions up to $6,000 for tax year 2020. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to $7,000 per year for 2020. For tax years after 2020, the above 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 single Depositor, the annual contribution is phased out between adjusted gross income (AGI) of $124,000 and $139,000; for a married Depositor filing jointly, between AGI of $196,000 and $206,000; and for a married Depositor 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 Depositor and his or her Spouse.

### ARTICLE III

The Depositor's interest in the balance in the Custodial Account is nonforfeitable.

### ARTICLE IV

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

### ARTICLE V

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

**b.** The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.

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

### ARTICLE VI

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

### ARTICLE VII

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

### ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the SECURE Act of 2019, the Code, the related regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear in the Adoption Agreement.

## Part three: Both Traditional/SEP IRAs and Roth IRAs

### Article VIII Traditional and SEP IRAs (Article IX for Roth IRAs)

1. **Definitions.** As used in this Article, the following terms have the following definitions:|

   "**Account**" or "**Custodial Account**" means the Individual Retirement Custodial Account established hereunder.

   "**Agreement**" means Parts One and Three of this Custodial Agreement (if a Traditional/SEP IRA), Parts Two and Three of this Agreement (if a Roth IRA), the Disclosure Statement, the Adoption Agreement, and the Enrollment Form.

   "**Beneficiary**" means the person(s) designated as beneficiary(ies) by the Depositor in a manner acceptable to the Custodian.

   "**Custodian**" means TIAA, FSB or its successors or assigns.

   "**Depositor**" means the person signing the Adoption Agreement accompanying this Custodial Agreement to establish a Custodial Account.

   "**Distributor**" means TIAA-CREF Individual & Institutional Services, LLC or its successors or assigns.

   "**Fund**" means any registered investment company that is advised, sponsored, or distributed by the Sponsor and legally offered for sale in the state of the Depositor's residence.

   "**Funding Option**" means any investment or funding vehicle offered to the Depositor by the Sponsor as part of this Account, including without limitation bank products.

   "**Internal Revenue Code**" or "**Code**" and references to Sections thereof mean the Internal Revenue Code of 1986, as amended from time to time.

   "**IRA Conversion Contribution**" means amounts rolled over, transferred, or considered transferred from a non-Roth IRA into a Roth IRA.

"**SEP Contribution**" means a contribution on behalf of the Depositor by his or her employer under a simplified employee pension plan as described in Section 408(k) of the Code.

"**SEP IRA**" means an IRA opened to receive contributions from an employer sponsored simplified employee pension plan.

"**Service Company**" means any entity employed by the Custodian or the Distributor, including the transfer agent for the Fund(s), to perform various administrative duties of either the Custodian or the Distributor or, in the absence of a Service Company, the Distributor (if any).

"**Sponsor**" means Teachers Insurance and Annuity Association of America, or any of its affiliates.

"**Spouse**" means 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.

**2. Depositor's Representations.** The Depositor acknowledges and represents as follows:

i. The Depositor has been advised that the entirety of this Agreement has not been approved by the Internal Revenue Service ("**IRS**").

ii. The Depositor has been advised that the Custodian does not make warranties or in any way represent that the Depositor will qualify for all or any portion of the retirement savings deductions under the Code with respect to Traditional IRAs, that earnings of the Custodial Account will be exempt from taxation, that any rollover contribution will be excludable from gross income for tax purposes, or that the Depositor 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 Traditional IRAs.

iii. If applicable, the Depositor is eligible for a Traditional IRA and the contributions to be made thereto will be made in accordance with applicable laws and regulations. The Depositor is responsible for all fines and assessments, and for any adverse tax consequences, which may be imposed on the Depositor by applicable law. The Custodian assumes no liability whatsoever for tax implications associated with this Agreement.

iv. Any information the Depositor has provided or will provide with respect to this Agreement is complete and accurate. The Depositor will inform the Custodian of any change in any such information that could affect the efficient administration of the Custodial 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 Depositor's tax year for contributions. Any direction given by the Depositor, or any action taken by the Depositor, will be proper under this Agreement and applicable law. TIAA and the Custodian shall have the right to rely upon any information furnished by the Depositor (or any Beneficiary following the Depositor's death). The Depositor hereby agrees that neither TIAA nor the Custodian will be liable for any loss or expense resulting from any action taken or determination made in reliance on such information. The Custodian will not be responsible for the Depositor's actions or failures to act. Likewise, the Depositor will not be responsible for the Custodian's actions or failures to act; provided, however, that the Custodian'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. Revocation by Depositor.** The Depositor may revoke the Custodial Account established hereunder by mailing or delivering a written notice of revocation to the Custodian within seven days after the Depositor receives the Disclosure Statement related to the Custodial Account. Mailed notice is deemed given to the Custodian on the date of the postmark, if via regular mail, or on the date of Post Office certification or registration, if via certified or registered mail. Upon timely revocation, the Depositor's initial contribution will be returned, without adjustment for administrative expenses, commissions, or sales charges, fluctuations in market value, or other charges. Otherwise, the Individual Retirement Account is established after the Adoption Agreement is fully executed by the Depositor and entered into the records of the Custodian, and must be completed no later than the due date of the individual's federal income tax return for the tax year (without regard to extensions).

**4. Investment of Contributions.** The Depositor shall be solely responsible for ensuring that any contribution to the Custodial Account complies with applicable law, including the limits described in Article I of Part One or Two, as applicable.

All contributions to the Custodial Account shall be invested and reinvested in a Funding Option, subject to any additional terms and conditions of such Funding Option, including full and fractional shares of a Fund(s) permitted by the Sponsor in connection with this Account. All such shares shall be issued and accounted for as book entry shares, and no physical shares or share certificates shall be issued. Such investments shall be made in such proportions and/or amounts as Depositor from time to time, in a manner acceptable to the Service Company, directs.

The Service Company shall promptly transmit all investment directions by the Depositor for the purchase or sale of shares of Fund(s) hereunder to the Fund(s)' transfer agent for execution. However, if investment directions are not received from the Depositor as required or are unclear or incomplete in the opinion of the Service Company, the contribution will be returned to the Depositor or will be invested in the CREF Money Market Account to the extent legally permissible pending clarification or completion by the Depositor, in either case without liability for loss or diminution in value. If other directions by the Depositor with respect to the sale or purchase of shares of Fund(s) are unclear or incomplete in the opinion of the Service Company, the Service Company will refrain from executing such investment directions or sale or purchase, without liability for loss or diminution in value, pending receipt of clarification or completion from the Depositor.

All investment directions by Depositor shall be subject to any minimum initial or additional investment, minimum balance, and other exchange rules applicable to a Fund, as described in its prospectus.

All dividends and capital gains or other distributions received on the shares of any Fund(s) held in the Depositor's Account shall be (unless received in additional shares) reinvested in full and fractional shares of such Fund (or of any other Fund offered by the Sponsor, if so directed).

Depositor may transfer assets between the Custodial Account established hereunder and the TIAA and CREF Individual Retirement Annuity contracts referenced in the Enrollment Form that comprises part of the Agreement by providing investment direction to that effect in a manner acceptable to the Custodian and Service Company.

If any Fund held in the Custodial Account is liquidated or otherwise made unavailable by the Sponsor as a permissible investment for a Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the Depositor's instructions. If the Depositor does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Service Company, the Service Company may invest such liquidation or other proceeds in such other Fund, including the CREF Money Market Account, if available, as the Sponsor designates, and neither the Service Company nor the Custodian will have any liability for such investment.

5. The Custodian shall deliver, or cause to be delivered, to the Depositor all notices, prospectuses, financial statement and other reports to shareholders, proxies and proxy soliciting materials relating to the shares of the Funds or other investments credited to the Custodial Account. The Custodian shall vote the shares and take such other action pursuant to such documents only upon receipt of adequate written instructions from the Depositor; provided, however, that if the Depositor fails to provide timely written instructions on how to vote the shares of the Fund(s) credited to the Custodial Account, the Custodian shall vote the unvoted shares of any Fund in the same proportion as shares of that Fund for which voting instructions are timely received from such Funds' other shareholders.

6. **Purchase/Redemption of Shares.** Instructions for the purchase or redemption of shares of a Fund that are received by the Service Company in "good order" prior to the close of regular trading of the New York Stock Exchange (generally 4:00 p.m. Eastern Time) (the "Close of Trading") on any given day on which the New York Stock Exchange is open for business ("Business Day") will be executed at the net asset value determined at the Close of Trading on such Business Day. Instructions received by the Service Company in "good order" on such day but after the Close of Trading will be executed at the net asset value determined at the Close of Trading on the next Business Day following the date of receipt of the instruction. Instructions shall be considered received in "good order" when all necessary information and monies received by the Service Company in connection with such instructions balance and conform to all other operating procedures, including any restrictions or limits set forth in the applicable fund prospectus or as otherwise set forth by the Custodian or the Service Company.

   Any purchase, exchange, transfer, or redemption of shares of a Fund will be subject to any applicable sales, redemption, or other charge as described in the then-effective prospectus for such Fund.

7. **SEP Contributions.** SEP Contributions may be made to a Traditional IRA on behalf of the Depositor by his or her employer for any taxable year in an amount not to exceed the amount provided in Section 408(J) of the Code or any successor statutory provision there to for such taxable year. Before making any SEP contribution, the Depositor shall execute such forms as the Custodian may require to certify that the Depositor is covered under a simplified employee pension (as described in Section 408(k) of the Code) established by his or her employer and to provide other information as the Custodian may reasonably

request. The Depositor shall have the sole responsibility for determining whether any contributions to the Account qualify as a SEP Contribution.

8. **Records Maintenance.** The Service Company shall maintain adequate records of all purchases and sales of shares of Fund(s) for the Depositor's Custodial Account. Any Account maintained hereunder shall be in the name of the Custodian for the benefit of the Depositor. All assets of the Custodial Account shall be registered in the name of the Custodian or its nominee, but the Custodian's records shall reflect that all such investments are part of the Custodial Account. The Custodian shall maintain or cause to be maintained adequate records reflecting transactions of the Custodial Account. Records maintained by the Service Company with respect to the Account hereunder may be deemed to satisfy the Custodian's recordkeeping responsibilities.

9. **No Investment Advice.** Unless otherwise provided by written agreement, the Custodian, the Sponsor, and any other party providing services to the Custodial Account on behalf of the Custodian or the Sponsor will not provide investment advice as defined in ERISA Regulation Section 2510.3-21(c) or question Depositor's directions. The Custodian, the Sponsor, and any other party providing services to the Custodial Account on behalf of the Custodian or the Sponsor will not be liable for any loss or diminution in value resulting from Depositor's exercise of investment control over Depositor's Custodial Account. Depositor shall have and exercise exclusive responsibility for and control over the investment of the assets of Depositor's Custodial Account.

10. **Appointment of Investment Advisor.** The Depositor may appoint one or more investment advisors or other investment professionals with respect to the Custodial Account in a manner acceptable to the Custodian and the Service Company. The investment advisor's appointment will be in effect until written notice to the contrary is received by the Custodian and the Service Company. While an investment advisor's appointment is in effect, the investment advisor may issue investment directions for the sale or purchase of shares of Fund(s), and the Service Company will be deemed authorized to fulfill such investment directions as if they had been given by the Depositor.

11. **Depositor's Responsibilities.** Notwithstanding any other provision of this IRA Agreement, Depositor will have sole responsibility for and Custodian will not be liable for any tax, penalty or other consequences with respect to the following;

    a. determining the extent to which a contribution to the IRA is permissible;

    b. determining whether any contribution to the IRA is an eligible rollover contribution;

    c. determining the tax consequences of a contribution to, withdrawal or transfer from the IRA;

    d. maintaining a record of nondeductible contributions to the IRA;

    e. reporting nondeductible IRA contribution to the Internal Revenue Service ("IRS") on a timely basis;

    f. determining whether IRA withdrawals are premature;

    g. determining whether any investment in an IRA is permissible or a prohibited transaction;

    h. withdrawing excess contributions and minimum distributions on a timely basis;

    i. any prohibited transaction in which the IRA engages; and

    j. filing all required tax forms with the IRS and paying any taxes and penalties resulting from (1) an excess contribution to, or a taxable premature withdrawal from the IRA, (2) failure to timely withdraw a minimum distribution, or (3) engaging in a prohibited transaction.

12. **Distribution of Assets.**

    **a.** Distribution of the Custodial Account assets shall be made by written order of Depositor (or the Beneficiary, if the Depositor is deceased) to the Custodian. Depositor acknowledges that any distribution of a taxable amount from the Custodial Account (except for distribution due to Depositor's disability or death, return of an "excess contribution" referred to in Code Section 4973, or a "rollover" from this Custodial Account) made earlier than age 59 ½ may subject Depositor to an additional tax on early distributions under Code Section 72(t) unless an exception to such additional tax applies. The Depositor (or the Beneficiary) is responsible for ensuring that any applicable distribution requirements of Code Section 401(a)(9) and Article IV (Article V for Roths) above are met. If the Depositor (or the Beneficiary) does not direct the Custodian to make distributions from the Custodial Account by the time such distributions are required to commence in accordance with distribution requirements, the Custodian (and Sponsor and Service Company) shall assume that the Depositor (or Beneficiary) is meeting any applicable minimum distribution requirements from another individual retirement arrangement maintained by the Depositor (or Beneficiary), and the Custodian, the Sponsor, and the Service Company shall not be liable for so doing.

**b.** The Depositor acknowledges that any withdrawal from the Custodial Account will be reported by the Custodian in accordance with applicable IRS requirements. The Custodian reserves the right to report information based on the amounts in the Custodial Account, and such information will not reflect any other individual retirement accounts the Depositor may own; accordingly, the tax treatment of the withdrawal may be different than if the Depositor had no other individual retirement accounts. The Depositor is solely responsible for the maintenance of appropriate records to enable the Depositor (or other person ordering the distribution) to accurately compute all taxes due and for the tax treatment of any distribution from the Custodial Account.

**c.** The Custodian assumes no responsibility to make any distribution except upon the written order of Depositor (or Beneficiary if Depositor is deceased) containing such information as the Custodian may reasonably request. Before making any distribution from or honoring any assignment of the Custodial Account, Custodian shall be furnished with any applications, certificates, tax waivers, signature guarantees, releases, indemnification agreements, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by Custodian, but Custodian shall not be liable for complying with any order or instruction that appears on its face to be genuine, or for refusing to comply if not satisfied that any order or instruction is genuine, and Custodian has no duty of further inquiry. Any distributions from the Account may be mailed, first-class postage prepaid, to the last known address of the person to receive such distribution, as shown on the Custodian's records, and such distribution shall completely discharge the Custodian's liability for such payment.

**13. Beneficiary.**

**a.** If, in the opinion of the Custodian or Service Company, any designation of beneficiary is unclear or incomplete, the Custodian or Service Company may request and receive such clarification or additional instructions as the Custodian in its discretion deems necessary to determine the correct Beneficiary(ies) following the Depositor's death. The form designating the Beneficiary(ies) may name individuals, trusts, estates, or other entities as either primary or contingent beneficiaries. However, if the designation does not effectively dispose of the entire Custodial Account as of the time distribution is to commence, the term "Beneficiary" shall then mean the Depositor's estate with respect to the assets of the Custodial Account not disposed of by the designation form. The form last accepted by the Custodian before such distribution is to commence, provided it was received by the Custodian (or deposited in the U.S. mail or with a reputable delivery service) during the Depositor's lifetime, shall be controlling and, whether or not fully dispositive of the Custodial Account, thereupon shall revoke all such forms previously filed by the Depositor. A married Depositor residing in a community property or marital property state may need to obtain spousal consent if Depositor's Spouse is not designated as the primary Beneficiary for at least half of Depositor's Account. Consult a lawyer or other tax professional for additional information and advice.

**b.** Notwithstanding any provisions in this Agreement to the contrary, upon the death of the Depositor, all rights and obligations assigned to Depositor hereunder shall inure to the Beneficiary.

**c.** Notwithstanding Section 3 of Article IV of Part One above, if the Depositor's Spouse is the sole Beneficiary on the Depositor's date of death, the Spouse will be treated as the Depositor unless the Spouse elects not to be so treated. If the Spouse elects not to be so treated, the Custodial Account will be distributed in accordance with the provisions of Article IV. Notwithstanding Section 3 of Article V of Part Two above, if the Depositor's Spouse is the sole Beneficiary on the Depositor's date of death, the Spouse will be treated as the Depositor unless the Spouse elects not to be so treated, the Custodial Account will be distributed in accordance with the other provisions of Article V, except that distributions to the Depositor's Spouse are not required to commence until December 31 of the year in which the Depositor would have turned age 72.

**14. Information/Reports.**

**a.** The Depositor agrees to provide information to the Custodian in such time and manner as necessary for the Custodian to prepare any reports required under Code Sections 408(i) or 408A(d)(3)(E) and the regulations thereunder or otherwise.

**b.** The Custodian or the Service Company will submit reports to the Internal Revenue Service and the Depositor in such time and manner and containing such information as prescribed by the Internal Revenue Service.

- **c.** The Depositor, Custodian, and Service Company shall furnish to each other such information relevant to the Custodial Account as may be required under the Code and any regulations issued or forms adopted by the Treasury Department thereunder or as otherwise necessary for the administration of the Custodial Account.
- **d.** The Depositor shall file with the Internal Revenue Service any reports that are required of the Depositor by law, and the Custodian, the Sponsor, and the Service Company shall have no duty to advise Depositor concerning or monitor Depositor's compliance with such requirement.

**15. Amendment of Custodial Account Document.**

- **a.** This Agreement governs the Depositor's Custodial Account. Articles I through VII of Part One of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-A. Articles I through VIII of Part Two of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-RA. If the Internal Revenue Service promulgates changes to Form 5305-A or Form 5305-RA, the Custodian will amend this Agreement accordingly.
- **b.** The Custodian may amend this Custodial Account document (including retroactively), including but not limited to if necessary or appropriate in the opinion of the Custodian to conform this Custodial Account to pertinent provisions of the Code and other laws, or to obtain a governmental ruling that such requirements are met, to adopt a prototype or master form of agreement in substitution for this Agreement, or as otherwise may be deemed advisable by the Custodian. Such an amendment shall be communicated in writing to Depositor, and Depositor (or Beneficiary, following the death of the Depositor) shall be deemed to have consented thereto unless, within 30 days after such communication to Depositor is mailed, Depositor gives Custodian a written order for a complete distribution or transfer of the Custodial Account. Pending the adoption of any amendment necessary or appropriate to conform this Custodial Account document to the requirements of any amendment to applicable provision(s) of the Internal Revenue Code or regulations or rulings thereunder (including any amendment to Form 5305-A or Form 5305-RA), the Custodian and the Service Company may operate the Depositor's Custodial Account in accordance with such requirements to the extent that the Custodian and/or the Service Company deem necessary to preserve the tax benefits of the Account.

**16. Termination of Custodial Account.**

- **a.** Custodian shall terminate the Custodial Account if this Agreement is terminated or if, within 30 days (or such longer time as Custodian may agree) after resignation or removal of Custodian under Section 18, Depositor or Sponsor, as the case may be, has not appointed a successor that has accepted such appointment. Termination of the Custodial Account shall be effected by distributing all assets thereof in a single payment in cash or in kind to Depositor, subject to Custodian's right to reserve funds as provided in Section 18.
- **b.** Upon termination of the Custodial Account, the Agreement shall have no further force and effect (except for Sections 10, 16(f) and 18(c) and (d) hereof, which shall survive the termination of the Custodial Account and this document), and Custodian shall be relieved from all further liability hereunder or with respect to the Custodial Account and all assets thereof so distributed.

**17. Appointment of Contractors/Indemnification.**

- **a.** In its discretion, the Custodian may appoint contractor(s) or service provider(s) to execute any of its functions and may compensate them from the Custodial Account for expenses attendant to those functions. All rights and privileges of the Custodian hereunder shall inure to such contractor(s) or service provider(s).
- **b.** The Service Company shall receive all instructions, notices, forms, and remittances from Depositor and handle or forward the same to the transfer agent(s) for the Fund(s).
- **c.** Custodian, Sponsor, and Service Company (or any other party providing services to the Custodial Account on behalf of the Custodian, the Sponsor, and the Service Company) shall not be liable (or assume any responsibility) for the collection of contributions, the proper amount, time, or tax treatment of any contribution, the propriety of any contributions under this Agreement, or the purpose, time, amount (including any minimum distribution amounts), tax treatment, or propriety of any distribution hereunder, which matters are the sole responsibility of Depositor and Beneficiary.
- **d.** Within 60 days after the close of each calendar year (or after the Custodian's resignation or removal), the Custodian or Service Company shall file with Depositor a written report reflecting the transactions effected by it and the assets of the Custodial Account at its close. Sixty days after such a report is sent to Depositor (or Beneficiary), the Custodian and

Service Company shall be released and discharged from all liability with respect to transactions reflected by the report except with respect to any such acts or transactions as to which Depositor shall have filed written objections with the Custodian or Service Company before the 60-day period elapses.

**e.** The Service Company shall deliver, or cause to be delivered, to Depositor all notices, prospectuses, financial statements, proxies, and proxy soliciting materials relating to the shares of the Fund(s) credited to the Custodial Account. Proxies shall be voted by, or in accordance with, the instructions of the Depositor. If no instructions for voting proxies applicable to mutual funds are received, the Custodian shall not exercise the voting rights for such shares and shall not be responsible for the failure to vote or instruct the vote on such shares.

**f.** Depositor shall indemnify Service Company, Distributor, the Fund(s), Sponsor, and Custodian from any liability relating to this Agreement and arising out of Depositor's bad faith, gross negligence, or willful misconduct.

**g.** The Custodian and Service Company shall each be responsible solely for performance of those duties expressly assigned to it in this Agreement, and neither assumes any responsibility as to duties assigned to anyone else hereunder or by operation of law.

**h.** The Custodian and Service Company may each conclusively rely upon any written order from Depositor or Beneficiary, or any investment advisor appointed under Section 9, or any other notice, request, consent, certificate, or other instrument or paper believed by it to be genuine and to have been properly executed, provided Custodian or Service Company acts in good faith in taking or omitting to take any other action in reliance thereon. In addition, Custodian will execute the requirements of any apparently valid court order relating to the Custodial Account and will not be liable for so doing.

**18. Fees.**

**a.** The Custodian may be compensated for its services under this Agreement by payments made by providers of mutual funds (or their affiliates including Distributor) used in connection with this Agreement and from amounts held in TIAA annuity contracts. This may include sharing, on a periodic basis, in the revenue derived by such mutual fund providers and TIAA.

**b.** The fees of the Custodian for performing services hereunder, which may include additional transaction fees in connection with certain mutual funds, shall be specified on the applicable fee schedule in the Agreement, if those fees are to be separately charged and borne by depositor. The Custodian may substitute a different fee schedule upon advance written notice to Depositor. The Custodian shall also receive reasonable fees for any services not contemplated by any applicable fee schedule and deemed by it to be necessary or desirable or requested by Depositor. The Custodian and the Service Company shall debit Depositor's Account for services rendered in connection with the Custodial Account.

**c.** The Custodian and the Service Company shall disburse from the Custodial Account payment to the appointed investment advisor(s) of its fees for services rendered in connection with the Custodial Account.

**d.** Any income, gift, estate, and inheritance taxes and other taxes of any kind (including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Custodial Account) that may be levied or assessed with respect to such assets, and all other administrative expenses incurred by the Custodian in the performance of its duties (including fees for legal services rendered to it in connection with the Custodial Account) shall be charged to the Custodial Account. If the Custodian is required to pay any such amount, the Depositor (or Beneficiary) shall promptly reimburse the Custodian.

**e.** All such fees, taxes, and other administrative expenses charged to the Custodial Account shall be collected either from the amount of any contribution or distribution to or from the Account, or (at the option of the person entitled to collect such amounts) to the extent possible by the conversion into cash of sufficient shares of any Fund(s) held in the Custodial Account (without liability for any loss incurred thereby). Notwithstanding the foregoing, the Custodian or Service Company may make demand upon the Depositor for payment of the amount of such fees, taxes, and other administrative expenses. Fees outstanding after 60 days may be subject to a collection charge.

**19. Removal of Custodian; Successor Custodian.**

**a.** Upon 30 days' prior written notice to the Custodian, Sponsor may remove Custodian from its office hereunder. Such notice, to be effective, shall designate a successor custodian and be accompanied by the successor's written acceptance. The Custodian may at any time resign upon 30 days' prior written notice to Sponsor, whereupon the

Sponsor shall notify the Depositor (or Beneficiary) and shall appoint a successor to the Custodian. In connection with its resignation hereunder, the Custodian may, but is not required to, designate a successor custodian by written notice to the Sponsor and Depositor (or Beneficiary), provided the Sponsor consents to the appointment of the successor custodian.

**b.** The Depositor shall substitute another custodian upon notification by the Commissioner that such substitution is required because the Custodian has failed to comply with the requirements of Section 1.408-2(e) of the Regulations or is not keeping such records or making such returns or rendering such statements as are required by forms or regulations.

**c.** The successor custodian shall be a bank, insured credit union, or other person acceptable to the Secretary of the Treasury under Code Section 408(a)(2). Upon receipt by Custodian of written acceptance of appointment by its successor, Custodian shall transfer to such successor the assets of the Custodial Account and all records (or copies thereof) of Custodian pertaining thereto, provided that the successor custodian agrees not to dispose of any such records without the Custodian's consent. Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs, expenses, and other liabilities constituting a charge against the Custodian or the assets of the Custodial Account.

**d.** Any Custodian shall not be liable for the acts or omissions of its predecessor or successor.

**20. Notice.** If any provision of any document governing the Custodial Account provides for notice, instructions, or other communications from one party to another, to the extent permitted by the Custodian or Service Company, any such notice, instructions, or other communications may be given by telephonic, computer, other electronic, or other means, and the requirement for notice will be deemed satisfied. Except where otherwise specifically required in this Agreement, any notice from Custodian to any person provided for in this Agreement shall be effective if sent by first-class mail to such person at that person's last address on the Custodian's records.

**21. Effective Date.** This Agreement shall not become effective until acceptance of the Agreement by the Custodian following submission of all required forms and information, as evidenced by receipt by the Depositor (or the Beneficiary, following the death of the Depositor) of a statement confirming the initial transaction for the Account, including receipt of a statement confirming the purchase of Fund(s) shares.

**22. No Pledging.** Depositor (or the Beneficiary, following the death of the Depositor) shall not have the right or power to anticipate any part of the Custodial Account or to sell, assign, transfer, pledge, or hypothecate any part thereof. The Custodial Account shall not be liable for the debts of Depositor (or Depositor's Beneficiary) or subject to any seizure, attachment, execution, or other legal process in respect thereof except to the extent required by law. No part of the assets of the Custodial Account shall be used for or diverted to purposes other than for the exclusive benefit of the Depositor (or Depositor's Beneficiary) except to the extent required by law.

**23. Governing Law.** The laws of the State of New York, without regard to the choice of law principles of New York, shall control the interpretation and performance of the terms of this Agreement. Any action involving the Custodian brought by any other party must be brought in a state or federal court in New York.

**24. Legal Consequences.**

**a.** In the Enrollment Form the Depositor must designate the Custodial Account as either a Roth IRA or a Traditional IRA, and a separate account will be established for such IRA. One Custodial Account may not serve as a Roth IRA and a Traditional IRA (through the use of subaccounts or otherwise).

**b.** If in the Enrollment Form Depositor designates the Custodial Account as a Traditional IRA, this Agreement is intended to qualify under Code Section 408(a) as a Traditional individual retirement custodial account and to entitle Depositor to the retirement savings deduction under Code Section 219 if available. If in the Enrollment Form Depositor designates the Custodial Account as a Roth IRA, this Agreement is intended to qualify under Code Section 408A as a Roth individual retirement custodial account and to entitle Depositor to the tax-free withdrawal of amounts from the Custodial Account to the extent permitted in such Code Section.

If any provision hereof is subject to more than one interpretation, such ambiguity shall be resolved in favor of that interpretation consistent with the intent expressed in the Enrollment Form designation.

However, the Custodian, the Sponsor, and the Service Company shall not be responsible for whether such intentions are achieved through use of this Agreement, and Depositor should seek counsel for such assurances.

Depositor should seek advice from Depositor's attorney regarding the legal consequences (including but not limited to federal and state tax matters) of entering into this Agreement, contributing to the Custodial Account, and ordering Custodian to make distributions from the Account. Depositor acknowledges that Custodian and Service Company (and any company associated therewith) are prohibited by law from rendering such advice.

25. **Conversion/Transfer/Recharacterization.** If the Depositor maintains an IRA under Code Section 408(a), Depositor may convert or transfer such other IRA to a Roth IRA under Code Section 408A using the terms of this Agreement by executing the necessary form(s) and providing appropriate directions to the custodian or trustee of such other IRA. Alternatively, the Depositor may convert or transfer such other IRA to a Roth IRA by use of a reply card or by telephonic, computer, or other electronic means in accordance with procedures adopted by the Custodian or Service Company intended to meet the requirements of Code Section 408A, and the Depositor will be deemed to have adopted the provisions of this Agreement in accordance with such procedures.

    The Depositor may recharacterize a contribution in accordance with the requirements of Code Section 408A(d)(6) and regulations thereunder. The Depositor agrees to observe any limitations imposed by the Service Company or the IRS, including but not limited to the number of such transactions permitted in any year.

26. **Receipt of Prospectus and Disclosure Statement.** The Depositor acknowledges that Depositor received and read the current prospectus for each Fund in which the Account is invested and the Disclosure Statement related to the Account. The Depositor represents under penalties of perjury that Depositor's Social Security number (or other Taxpayer Identification Number) as stated in the Adoption Agreement is correct.

# Traditional, Simplified Employee Pension or Roth Individual Retirement Account Disclosure Statement

FUNDS INVESTED PURSUANT TO THIS AGREEMENT ARE NOT INSURED BY THE FDIC MERELY BECAUSE THE CUSTODIAN IS A FEDERAL SAVINGS ASSOCIATION THE ACCOUNTS OF WHICH ARE COVERED BY SUCH INSURANCE. ONLY INVESTMENTS IN THE ACCOUNTS OF A FEDERAL SAVINGS ASSOCIATION ARE INSURED BY THE FDIC, SUBJECT TO ITS RULES AND REGULATIONS

This Disclosure Statement provides the basic information regarding your TIAA, FSB Traditional, SEP and/or Roth Individual Retirement Account (**IRA**), as well as certain features unique to the TIAA, FSB IRA. The Internal Revenue Service (**IRS**) requires us to send you this information. You should review it carefully, as well as your Custodial Agreement and Adoption Agreement, to make sure you understand the legal requirements for IRAs. This Disclosure Statement also discusses the effect and requirements of federal tax laws, but not state income tax laws that may apply to you. TIAA, FSB (the “**Bank**”) and its affiliated organizations do not provide tax or legal advice – for this reason, you should consult a lawyer or personal tax advisor regarding your particular situation to avoid any 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 IRAs can be obtained from any IRS district office.

## Right to Revoke

You can revoke your 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 IRA Operations
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 1-800-842-2252, weekdays, 8 a.m. to 10 p.m. (ET).

## Establishing an IRA

Your IRA is a custodial 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 of 1986, as amended (the “**Code**”).

A “**Traditional**” IRA is an IRA to which you may contribute annually. Your contributions may be deductible in full or in part, depending upon your tax filing status, your income level, and whether you and/or your spouse actively participate in an employer-sponsored retirement plan.

Accumulations in your Traditional IRA will grow tax deferred until you withdraw assets. Distributions from your Traditional IRA will be taxable to the extent that you were not previously taxed on the IRA contributions and earnings.

An "**Inherited IRA**" is one you establish as the beneficiary of an eligible retirement plan (401(a), 401(k), 403(a), 403(b), or 457(b) governmental plans) or IRA, and eligible rollover distributions from these plans are paid over into your Inherited IRA on a tax-free basis. You cannot make additional contributions to your Inherited IRA. It must be established in the name of the deceased owner, and you will receive required minimum distributions from the Inherited IRA on a yearly basis as required by the Code.

A "**SEP IRA**" is an IRA opened to receive contributions from your employer sponsored Simplified Employee Pension Plan. All SEP contributions are tax deductible by your employer

A "**Roth IRA**" is a custodial account established for the exclusive benefit of you and your beneficiaries, which is given favorable tax treatment by meeting specific requirements of the Code.

You also are eligible to establish an IRA by rolling over assets from another IRA. You are permitted to rollover pre-tax amounts from Traditional IRAs and qualified employer plans into a Traditional IRA, subject to certain limitations (see the **Contributions to your Roth IRA** section for additional information on Roth IRAs).

The IRS has approved various forms to be used in establishing IRAs. Form 5305-A has been approved as a Traditional IRA custodial agreement, which meets the requirements of Section 408(a) of the Code. Form 5305-RA has been approved as a Roth IRA custodial agreement, which meets the requirements of section 408A(a) of the Code. Except as amended to conform to changes to the Internal Revenue Code enacted in the Setting Every Community Up for Retirement Enhancement (**SECURE**) Act of 2019, the TIAA Custodial Agreement for Traditional Individual Retirement Account, Simplified Employee Pension or Roth Individual Retirement Accounts incorporates the language from this form and relies on the IRS' approval of this language in offering Traditional, SEP and Roth IRAs that meet the requirements of Code Section 408(a). The IRS approval goes to the form of the IRA and does not represent a determination on the qualification of the IRA in operation. As the IRS updates Form 5305-A, Form 5305-RA and Treasury Regulations and IRS guidance is issued on the SECURE Act provisions, the Bank will administer your IRA to conform to such developments.

An IRA will be established upon your execution of the TIAA Individual Retirement Account Adoption Agreement.

You will need to designate in the Adoption Agreement if you are establishing a Traditional IRA, SEP IRA or Roth IRA. The Bank reserves the right to amend the IRA Agreement as necessary to maintain the tax-qualified status of your 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 IRA are nonforfeitable, although the value of your IRA will fluctuate depending on its investment performance. It is important to note that investments made in your IRA (i) do not constitute a deposit or represent an obligation of the Bank or its affiliates; (ii) are not insured by the Federal Deposit Insurance Corporation; (iii) are not guaranteed by the Bank or its affiliates and are not a condition to any banking service or activity; and (iv) are subject to investment risk, including the possible loss of principal.

Any IRA funds in the TIAA Retirement Reserves Account are held at the Bank, which is a member of the FDIC. Cash balances in the TIAA Retirement Reserves Account are FDIC-insured up to $250,000 per account holder, combined with other insured deposits of the account holder at the Bank in the same ownership category.

## Contributions to Your Traditional IRA

**Annual Contributions.** Annual IRA contributions must be made in cash. For 2020, you are permitted to make Traditional IRA contributions in an amount up to $6,000 or 100 percent of your compensation for the year, whichever is less. Cost of living adjustments in $500 increments may be made to the contribution limit as announced by the IRS. 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. You are not required to make IRA contributions for any tax year. Contributions in excess of the limit may be subject to an excise tax (see the **Tax Issues** section, later).

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 15 of the following year. Whether your Traditional IRA contributions are tax deductible depends upon your tax filing status, your income level, and whether you and/or your spouse actively participate in an employer-sponsored retirement plans (see **Tax Issues** section, later).

**Rollover Contributions.** Rollover contributions to a Traditional IRA may be made at any time. A rollover contribution is a transfer of an eligible distribution from an employer-sponsored retirement plan or from another Traditional IRA.

Eligible distributions from a plan established under Code Sections 401(a), 403(b), or a deferred compensation plan of a state or local government (section 457(b) plans) may be rolled over into a Traditional IRA. Assets from another Traditional IRA may be rolled over or transferred. Such eligible distributions from an eligible inherited retirement plan may be directly rolled over by a designated beneficiary into an Inherited IRA.

The Bank reserves the right to determine 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 Retirement Reserves Account. You have the right to move funds to other available investments at any time.

Pre-tax contributions to a retirement plan and earnings on them are generally eligible to be rolled over into a Traditional IRA. Pre-tax contributions are contributions that were made to a retirement plan on your behalf and on which you have not yet paid taxes. After-tax contributions are contributions that you made, and on which you already have paid taxes. Most IRA assets may be rolled over, including both your pre-tax and after-tax contributions and earnings on them. Distributions sent to multiple destinations at the same time are treated as a single distribution for allocating pre-tax and after-tax amounts (IRS Notice 2014-54). This means you can roll over all your pre-tax amounts to a Traditional IRA or retirement plan and all your after-tax amounts to a different destination, such as a Roth IRA.

Assets must be either directly rolled over or rolled over within sixty days after you receive them from the previous plan or IRA. It is your responsibility to make sure that your rollover meets IRS guidelines. You may rollover assets from any IRA you own into another IRA only once a year. The once-a year limitation does not apply to rollovers of employer plan distributions to IRAs. Direct transfers from one IRA to another IRA are not restricted to once a year.

Spouses receiving distributions from a deceased grantor's employer retirement plan or IRA are eligible to take advantage of the same rollover rules as grantors. Also, if you are receiving an eligible distribution of your spouse's benefit from an employer retirement plan pursuant to a "qualified domestic relations order," you may roll over all or a portion of the distribution into a Traditional IRA.

The amount you roll over or transfer to a Traditional IRA will not be taxed until you take it out of the IRA. If the taxable portion of a distribution from an employer retirement plan is eligible to be rolled over and is not directly rolled over to your Traditional IRA, it will be subject to a mandatory 20 percent federal income tax withholding when it is distributed to you. You will receive only 80 percent of the amount you request as a distribution. The other 20 percent will be sent to the IRS as tax withholdings on your behalf. Even if you receive only 80 percent of your requested distribution from the plan, you are eligible to make a rollover contribution to a Traditional IRA in an amount equal to the full distribution. You must do so within 60 days after you receive the distribution. Unless you make a rollover contribution which includes the 20 percent withheld, the IRS will consider the 20 percent withheld to be taxable income. If you are under age 59½ that taxable amount will be considered a premature distribution subject to a 10 percent penalty tax. Military death benefits may only be rolled over to Roth IRA or Coverdell ESA.

**SEP IRA Contributions.** Your employer may make contributions to your SEP IRA up to the maximum amount under current law. Your SEP IRA can only receive employer contributions. If you want to make additional contributions you must open a separate IRA account.

**Qualified HSA Funding Distributions.** 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 Traditional 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 Traditional IRA for Your Spouse

If you and your spouse work, you may each establish your own Traditional IRA. The permissible amount of your contributions will depend on your combined annual income. 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 or 100 percent of your respective compensation for the year, if less.

If your spouse is not employed, or does not have enough compensation to support a full contribution, your spouse may establish an IRA and contribute up to $6,000 for 2020 ($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.

Whether a contribution to your spouse's Traditional IRA is deductible will depend on your tax filing status, income level, and whether you and/or your spouse actively participate in an employer-sponsored retirement plan (see the **Tax Issues** section, later).

## 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 the **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 Bank reserves the right to determine 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 Retirement Reserves 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, SARSEP IRA, SIMPLE IRA, or a qualified plan (401(k), 403(b), or 457(b)) to a Roth IRA ("conversion contribution") within sixty (60) days of receipt of the distribution or through a trustee-totrustee 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 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 sixty (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 Distributions.** If you are eligible to contribute to a 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 $6000 ($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.

## Traditional IRA Distribution Requirements

You can withdraw all or a portion of your Traditional or SEP IRA assets at any time. However, benefits from your Traditional or SEP IRA generally should begin no earlier than when you reach age 59½ because there may be a ten percent (10%) early withdrawal penalty.

Minimum distributions must begin for the year in which you turn 72 and must be made for each subsequent year. The first required minimum distribution must be made for the year in which you attain age 72 by April 1 of the following year. The distribution for each year after the year in which you attain age 72 must be made by December 31 of that year. This could result in two payments being made in the year after the year you reach age 72 (unless you were to take your first distribution during the year you reach age 72).

If you have an Inherited IRA, minimum distribution payments will generally be distributed every year after the year in which the IRA is established. Based on its internal policies and operational requirements, the Bank may make available to you certain distribution elections for distributions to be made to one or more of your designated beneficiaries after your death. If so, and if you elect any such distribution elections with respect to any one or more of your designated beneficiaries, distributions to your beneficiaries will be limited. These distribution elections are only permissible with respect to any beneficiary who is not, or was not your spouse at your death. If the Bank does not make available such distribution elections to you based on your account type, generally your beneficiary can receive death benefits as periodic payments or as a single cash payment. Death benefits are subject to federal income taxation when paid. Death benefits also are subject to required minimum distribution requirements which vary by designated beneficiary, as stated in your IRA Custodial Agreement and explained below.

Effective January 1, 2020, in accordance with the SECURE Act, in most cases, for individuals who turn age 70½ after December 31, 2019, payments from Traditional IRAs must begin by April 1 of the year after you reach age 72. The SECURE Act fundamentally changed the ability of certain non-spouse beneficiaries of interests in IRAs to receive payments over their life expectancy. This change applies with respect to IRA owner deaths after December 31, 2019. It also applies to beneficiaries of beneficiaries dying after 2019. In particular, the SECURE Act provides that under Traditional IRAs, SEP IRAs and Roth IRAs, most non-spouse beneficiaries will no longer be able to satisfy these rules by “stretching” payouts over life. Instead, those beneficiaries will have to take their post-death distributions within ten years. Certain exceptions apply to “eligible designated beneficiaries” which include spouses, disabled and chronically ill individuals, individuals who are ten or less years younger than the deceased individual, and children who have not reached the age of majority. This change applies to distributions to designated beneficiaries of individuals who die on and after January 1, 2020. After, the first beneficiary dies, the 10 year distribution period would generally apply to the beneficiary of the first deceased beneficiary. If you do not name an individual beneficiary (or a “look-through” trust treated as an individual), the ten year rule is shortened to a 5 year rule.

Adults who are eligible designated beneficiaries can receive payments over life or life expectancy, while children can receive such payments only until the age of majority, when the 10-year rule would then apply, as if you had died at that time. Payments taken over life expectancy must begin by the end of the year of your death, except for your surviving spouse. If your spouse is your beneficiary, payments must begin no later than the year you would have attained age 72, or if you die after age 72, by the end of the year following the year in which your death occurs.

If, however, your spouse is your beneficiary, then he or she may roll over the decedent’s benefit to his or her own Traditional IRA, and be subject to the RMD rules applicable to your spouse. A 50 percent excise tax applies to any amount that should have been withdrawn as a RMD, but was not withdrawn.

## Roth IRA 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 Traditional IRA and deposit them in another Traditional IRA or an employer retirement plan provided the plan allows rollovers. You may rollover IRA assets from any IRA you own only once every 12 months, beginning on the date of receipt. Assets rolled over to another Traditional IRA or employer plan will be subject to the provisions of that IRA or plan. 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 within 60 days, not when assets are transferred directly from one IRA to another. You may transfer assets directly between IRAs at any time without limitation.

Similarly, 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. You may rollover IRA assets from any IRA you own once every twelve (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 within sixty (60) days, not when assets are transferred directly from one Roth IRA to another. You may transfer assets via a trustee-to-trustee transfer between Roth IRAs at any time without limitation.

## Traditional IRA Tax Issues

**Deduction of Contributions.** The amount of Traditional IRA contributions that you are eligible to make is described above. However, whether you are able to deduct all or a portion of your contributions depends on your income level, your tax filing status, and whether you or your spouse actively participates in an employer-sponsored retirement plan. These rules are described below. Regardless of the amount of contributions that you are allowed to deduct in a tax year, you may elect not to deduct your Traditional IRA contributions for that tax year. Contributions that are not deducted for a tax year must be reported to the IRS by filing Form 8606 with your federal income tax return for that year.

A single individual who does not participate in an employer-sponsored retirement plan may deduct the full amount of his or her allowable Traditional IRA contribution. Single individuals who actively participate in an employer-sponsored retirement plan can deduct the full amount of their allowable Traditional IRA contribution as long as their adjusted gross income (AGI) does not exceed the applicable statutory limit. The deduction is phased out for AGI above that limit.

Currently, the Traditional IRA AGI limits are as follows for single or head of household (these limits may be indexed for inflation in future years).

| Tax Year | Phase Out Begins | Phase Out At |
|---|---|---|
| 2020 | $65,000 | $75,000 |

You can contribute to a Traditional or Roth IRA whether or not you participate in another retirement plan through your employer or business. However, you might not be able to deduct all of your Traditional IRA contributions if you or your spouse participates in another retirement plan at work. Roth IRA contributions might also be limited if your income exceeds a certain level.

If you work and are covered by an employer sponsored retirement plan, and your spouse is not covered by an employer sponsored plan, and you file a joint tax return, you may deduct the full amount of your contribution as long as your AGI does not exceed the applicable statutory limit.

Currently, the limits for married filing jointly are as follows (these limits are to be indexed for inflation in future years).

| Tax Year | Phase Out Begins | Phase Out At |
|---|---|---|
| 2020 | $104,000 | $124,000 |

If a married individual files a separate tax return, the Traditional IRA deduction is phased out for AGI between $0 and $10,000, at which level it is completely eliminated. Special rules apply to married taxpayers who file separately and live apart at all times during the tax year; they are treated as single.

**SEP IRA Contributions.** For participants in a SEP plan offered by your employer, your employer may make annual SEP contributions on your behalf up to the lesser of 25% of compensation, or $57,000 in 2020, or the current limit published and in effect by the IRS. The maximum compensation that can be considered for SEP contributions by your employer is $285,000 for 2020, or the current limit published and in effect by the IRS.

**Tax on Excess Contributions.** If you make a contribution in excess of the allowable amount for a tax year and you fail to withdraw the excess and the earnings on the excess contribution by the date your tax return for the year is due (including extensions), you are subject to a 6 percent tax per year on the excess amount until it is withdrawn or applied to a subsequent year’s allowable contribution.

**Deferred Taxation of Accumulations.** Your Traditional IRA will accumulate on a tax-deferred basis and you will not be subject to income taxation on the earnings until you withdraw assets.

**Taxation of Distributions.** Distributions from your Traditional IRA, which are attributable to contributions you deducted, pre-tax amounts that have been rolled over from an employer retirement plan and all Traditional IRA earnings, are taxable when received.

All taxable amounts that are withdrawn are subject to ordinary income taxation and are not eligible for more favorable capital gains, lump sum distribution, income averaging or other tax treatment.

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

1. rolled over into another Traditional 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 10% percent of adjusted gross income,
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, or
9. the distribution is a qualified reservist 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 Bank not to withhold taxes from your payment.

**Rollovers, Conversions and IRA-to-IRA Transfers.** Traditional IRA distributions may be rolled over to another Traditional IRA or to a qualified employer plan that accepts rollovers, including amounts that previously came from another qualified employer plan.

The amount of any distribution that is rolled over into another Traditional IRA or qualified employer plan is not subject to federal income tax, to the extent it otherwise would not be taxable, until distributions are made from that Traditional IRA or plan.

Also, direct IRA-to-IRA transfers are not distributions and are not taxable until distributions are made from the Traditional IRA to which assets are transferred.

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 for the tax year of the conversion. If you are a non-spouse designated beneficiary of an IRA or eligible retirement plan, you may roll any eligible rollover distribution into an Inherited IRA established to receive it and received from the same decedent.

This is not your own IRA, but one which is established in the name of the deceased owner for your benefit (e.g. “John Smith, deceased for the benefit of Robert Smith”), and you will receive required minimum distribution payments from the Inherited IRA.

**Recharacterizations.** If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contributions to a Roth IRA along with net income attributable, you may elect to treat the original contributions as having been made to the Roth IRA. The same method applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. However, if you have converted from a Traditional IRA to a Roth IRA you may not recharacterize the conversion along with net income attributable back to a Traditional IRA. Roth IRA conversions are irreversible.

## Roth IRA 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 Bank 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 (5) 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 a qualified disaster distribution (see the **Disaster Related 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 twelve (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,
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 Bank 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 10 percent penalty applies (unless there is an exception). Taxable distributions are subject to withholding, generally at a rate of ten (10%) percent, unless you specifically ask the Bank 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.

## Additional Tax Considerations

**Saver's Credit for IRA Contributions** – You may be able to receive a tax credit for your IRA contribution. You're eligible for the credit if you're: 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 ($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 Traditional or Roth IRA; your 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c) (18) or governmental 457(b) plan; and your voluntary after-tax employee contributions to your qualified retirement and 403(b) plans.

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 ("QCD").** A QCD is a direct transfer of funds from your IRA custodian, the Bank, payable to a qualified charity. QCDs can be counted toward satisfying your required minimum distributions (RMDs) for the year, as long as certain rules are met. In addition to the benefits of giving to charity, a QCD excludes the amount donated from taxable income, which is unlike regular withdrawals from an IRA. However, the exclusion is offset by any IRA contributions you have deducted after age 70½. Keeping your taxable income lower may reduce the impact to certain tax credits and deductions, including Social Security and Medicare. While many IRAs are eligible for QCDs—Traditional, Rollover, Inherited, SEP (inactive plans only), and SIMPLE (inactive plans only) —there are requirements:

- You must be 70½ or older to be eligible to make a QCD. The increase in the RMD age to 72 for individuals reaching age 70½ after 2019, does not change this requirement.
- QCDs are limited to the amount that would otherwise be taxed as ordinary income. This excludes non-deductible contributions.
- The maximum annual amount that can qualify for a QCD is $100,000. This applies to the sum of QCDs made to one or more charities in a calendar year. (If, however, you file taxes jointly, your spouse can also make a QCD from his or her own IRA within the same tax year for up to $100,000.)
- For a QCD to count towards your current year's RMD, the funds must come out of your IRA by your RMD deadline, generally December 31.

Any amount donated above your RMD does not count toward satisfying a future year's RMD. Funds distributed directly to you, the IRA owner, and which you then give to charity do not qualify as a QCD. Consult a tax advisor to determine if making a QCD is appropriate for your situation.

**Qualified HSA Funding Distribution.** A one-time "**qualified Health Savings Account ("HSA") funding distribution**" may be made from an IRA (other than a SEP IRA) and contributed to the HSA of an individual in a direct transfer. If eligible, the amount of the distribution will not be includable in income and is limited to the statutory maximum contribution allowed for such HSA, reduced by any other contributions made to the HSA for that year. The distribution is not subject to the 10% early withdrawal penalty if taken prior to age 59½.

**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, taxable and generally subject to additional taxes and penalties.

**Prohibited Transactions.** If you or a beneficiary engage in a prohibited transaction with your IRA as described in Code section 4975 (such as borrowing against or pledging your IRA), your 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 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. 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 custodian accepts your IRA beneficiary designation, your after-born or after adopted child will be entitled to receive a share of your 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 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 Bank accepts your beneficiary designation, will not receive any share of your IRA. The Bank, however, has no obligation to transfer IRA assets in the manner and as provided in this Section. The fact that the Bank is not so obligated does not affect the ownership interest of any after-born or after-adopted child in IRA assets.

**Documents Required upon Request for Transfer of IRA Assets.** Except to the extent you may have made certain distribution elections, if such elections are made available by the Bank based on its administrative and operational rules and practices, to transfer your IRA assets to the beneficiaries you have named in your approved beneficiary designation in your IRA Adoption Agreement, the Bank must timely receive (a) the appropriate form(s) requesting a transfer of IRA property; (b) any certificate or instrument evidencing ownership of the 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 paragraph (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 IRA assets; (f) a certified copy of the trust instrument which designates a trustee as a beneficiary of the 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 Bank may require, in its sole discretion. Further, prior to distributing any IRA assets to or for the benefit of any beneficiary, the Bank 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 IRA assets including, but not limited to, an indemnification agreement in favor of the Bank to the extent of the value of the IRA assets received by each such beneficiary.

The Bank 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 Bank in its sole discretion, may be substituted for the death certificate referenced above.

**No Obligation on Bank's Part.** Notwithstanding any provisions in your IRA Adoption Agreement or any other document governing the terms of your IRA, the Bank 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 IRA; or (c) vary the distribution of your IRA. Further, the Bank 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 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 IRA will not require the Bank 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 IRA at any time during your lifetime, by fully completing and submitting to the Bank a form acceptable to the Bank in its discretion. Any subsequently submitted beneficiary designation that the Bank 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 Bank accepts your beneficiary designation. A beneficiary designation may not be changed or revoked by, and the Bank 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 Bank 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 Bank may require assurances from such conservator, attorney-in-fact or other legal representative in such form as the Bank deems appropriate in its sole discretion.

**Legal Recourse.** If the Bank needs assurances regarding any matter related to the proposed transfer of your IRA assets following your death based on your beneficiary designation, the Bank 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 Bank incurs in such respect, including reasonable attorneys' fees and court costs, will be borne by the IRA assets in such manner as the Bank determines, in its sole discretion. If any claimant files a lawsuit against the Bank with respect to any proposed or completed transfer of IRA assets to beneficiaries following your death, the Bank 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 Bank determines, in its sole discretion.

**Notification of Claim Adverse to Proposed Transfer.** Following your death, the Bank will have no duty to withhold making a proposed transfer of your 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 Bank 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 Bank 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 Bank will not be liable to any person for any damages resulting from its transfer of 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 Bank will nevertheless have the right to make its proposed transfer of 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 Bank 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 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 IRA assets after your death are governed by the terms of the IRA Adoption Agreement and all other documents governing your 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 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.

**Tax Reporting.** Each year, the Bank will send you a Form 5498, Individual Retirement Arrangement Information, to report the contributions you have made to your IRA during the preceding year. It is your responsibility to file Form 8606 with your federal income tax return to report contributions to your Traditional IRA that are non-deductible or which you elect to be non-deductible for the tax 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 Bank will report distributions from your 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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