



# INDIVIDUAL RETIREMENT ARRANGEMENT (IRA)

FOR NEW ACCOUNTS ONLY - CURRENT AS OF JANUARY 2024

It's never too early or too late to save for your retirement. To live comfortably in your retirement years takes planning, and with a Pentagon Federal Credit Union (PenFed) Individual Retirement Arrangement (IRA), you are investing wisely and securely for your future.

You can also open a **PenFed IRA Share account** with as little as \$25. And you can contribute any time you wish, up to your yearly IRA limit. You can use automatic transfer service to add to your IRA.

You can choose an **IRA Certificate**. Take advantage of higher yields, federal insurance, automatic renewal, and convenient dividend and maturity payment options by investing in an IRA Certificate today. Unlike other financial institutions, members can take partial qualified distributions from their Certificates without an early withdrawal penalty. Our IRA Certificates offer competitive rates and are compounded daily for even higher yields. You need only \$1,000 to purchase a 1-, 2-, 3-, 4-, 5-, or 7-year IRA Certificate.

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## HOW DO YOU GO ABOUT ESTABLISHING YOUR ACCOUNT?

Simply follow the steps below:

1. You must be a PenFed member to open an IRA. (Joint ownership does not constitute membership.) To establish membership, each person opening an IRA must complete a Membership Application and return it with a Regular Share (savings) account share purchase of \$5.00 or more. You may open the account online at PenFed.org.
2. Complete and sign the Individual Retirement Arrangement Application form located on page 5 and 6 of this booklet.
  - \* Remember to choose an IRA investment option or combination of options.
  - \* If future funding will be by automatic transfer, you can submit Form 734 - Individual Retirement Arrangement (IRA)/Education Savings Account (ESA) Contribution/Rollover Voucher. This form is available online at [www.penfed.org/forms](http://www.penfed.org/forms).
3. If you would like to transfer a preexisting IRA to PenFed, complete and return the IRA Transfer Authorization form on page 9.
4. Read and retain for your records the Individual Retirement Custodial Account Form (#5305-A on page 11 for a traditional IRA or #5305-RA on page 13 for a Roth IRA). These forms are the required IRS forms and have not been updated for the recent tax law changes.
5. Read and retain for your records the applicable Disclosure Statement.
6. If your spouse wants an IRA, each of you must submit an IRA Application. Both must establish membership with PenFed.
7. Please return the IRA Application, Membership Application (if necessary), initial contribution(s) and share purchase(s), and transfer forms. Your IRA must be established prior to PenFed's acceptance of contributions or transferred funds to your IRA.

If you need another set of documents to establish an IRA for your spouse, please contact us at 1-800-247-5626, or download a form from [PenFed.org/forms](http://PenFed.org/forms).

## MAKING YOUR IRA CONTRIBUTION FAQ

### Who can make a tax-deductible contribution to a traditional IRA?

This depends upon your adjusted gross income, your marital status, and whether you or your spouse are active participants in an employer-sponsored pension plan. If you have earned income, you will continue to be allowed to make IRA contributions, regardless of your age. There may be limits on the amount of your contribution that is tax-deductible. All earnings on your IRA will remain tax-deferred, regardless of whether the contribution was tax-deductible.

### What if I'm not eligible to make a tax-deductible contribution to a traditional IRA?

As long as you are eligible for a traditional IRA and you have earned income you can make nondeductible IRA contributions of up to \$7,000 (under the age of 50) annually, or 100% of earned income, whichever is less. The dividends earned will accumulate on a tax-deferred basis until you withdraw your money. You can also choose to contribute to the Roth IRA instead of making nondeductible contributions to a traditional IRA, but consult your tax advisor first.

### Who can have a traditional IRA?

Generally, anyone who has earned income can contribute to an IRA. There are limits on the amount you may deduct from taxable income and on who may deduct IRA contributions.

### What are the benefits of making nondeductible contributions to a traditional IRA?

You will continue to earn tax-deferred dividends on any nondeductible IRA contributions you make, helping your IRA grow faster than taxable savings accounts. By not being entitled to an IRA tax deduction, you pay all income tax now on the amount contributed. Later, when you withdraw your funds from your IRA, the amount representing your nondeductible contribution will not be taxed.

### Are my IRAs federally insured?

Yes. Your PenFed IRAs are insured separately from your other PenFed share (savings) and checking accounts up to \$250,000 by the National Credit Union Administration (NCUA), an agency of the U.S. government. Talk to a Member Service Representative for details, or download a copy of the NCUA brochure, "Your Insured Funds," from their website.

### Where can I go for more information?

Go to the IRA website at [IRS.gov/publications](http://IRS.gov/publications) and see Publication 590A, Individual Retirement Arrangements. For specific tax information, please consult with your accountant or tax advisor.

## 2024 LIMITS

### 2024 COMBINED TRADITIONAL AND ROTH IRA CONTRIBUTION LIMITS

**If you are under 50 years of age at the end of 2024:**

The maximum contribution you can make to a traditional or Roth IRA is the smaller of \$7,000 or the amount of your taxable compensation for 2024. This limit can be split between a traditional and a Roth IRA but the combined limit is \$7,000. The maximum contribution to a Roth IRA and the maximum deductible contribution to a traditional IRA may be reduced depending on your modified adjusted gross income (modified AGI).

**If you are 50 years of age or older before the end of 2024:**

The maximum contribution that can be made to a traditional or Roth IRA is the smaller of \$8,000 or the amount of your taxable compensation for 2024. This limit can be split between a traditional and a Roth IRA but the combined limit is \$8,000. The maximum contribution to a Roth IRA and the maximum deductible contribution to a traditional IRA may be reduced depending on your modified AGI.

### 2024 TRADITIONAL IRA DEDUCTION LIMITS:

#### If you are covered by a retirement plan at work

If your <b>Filing Status</b> is ...	and your <b>Modified AGI</b> is ...	then you can <b>take</b> ...
<b>Single or Head of Household</b>	≤ \$77,000	a full deduction <i>(up to the amount of your contribution limit)</i>
	> \$77,000 but < \$87,000	a partial deduction
	≥ \$87,000	no deduction
<b>Married Filing Jointly or Qualifying Widow(er)</b>	≤ \$123,000	a full deduction <i>(up to the amount of your contribution limit)</i>
	> \$123,000 but < \$143,000	a partial deduction
	≥ \$143,000	no deduction
<b>Married Filing Separately*</b>	< \$10,000	a partial deduction
	≥ \$10,000	no deduction

\*If you file separately & did not live with your spouse at any time during the year, your IRA deduction is determined under the "single" filing status.

#### If you are NOT covered by a retirement plan at work

If your <b>Filing Status</b> is ...	and your <b>Modified AGI</b> is ...	then you can <b>take</b> ...
<b>Single, Head of Household or Qualifying Widow(er)</b>	any amount	a full deduction <i>(up to the amount of your contribution limit)</i>
<b>Married Filing Jointly or Separately</b> with a spouse who is <b>not</b> covered by a plan at work	any amount	a full deduction <i>(up to the amount of your contribution limit)</i>
<b>Married Filing Jointly</b> with a spouse who is covered by a plan at work	≤ \$230,000	a full deduction <i>(up to the amount of your contribution limit)</i>
	> \$230,000 but < \$240,000	a partial deduction
	≥ \$240,000	no deduction
<b>Married Filing Separately</b> with a spouse who is covered by a plan at work*	< \$10,000	a partial deduction
	≥ \$10,000	no deduction

\*If you file separately & did not live with your spouse at any time during the year, your IRA deduction is determined under the "single" filing status.

## 2024 ROTH IRA CONTRIBUTION LIMITS

### If you have Taxable Compensation &

your <b>Filing Status</b> is ...	and your <b>Modified AGI</b> is ...	then you can <b>contribute</b> ...
<b>Single or Head of Household or Married Filing Separately</b> and you did not live with your spouse at any time during the year	< \$146,000	up to the limit
	≥ \$146,000 but < \$161,000	a reduced amount
	≥ \$161,000	nothing <i>(you cannot contribute to a Roth IRA)</i>
<b>Married Filing Jointly or Qualifying Widow(er)</b>	< \$230,000	up to the limit
	≥ \$230,000 but < \$240,000	a reduced amount
	≥ \$240,000	nothing <i>(you cannot contribute to a Roth IRA)</i>
<b>Married Filing Separately</b> and you did live with your spouse at any time during the year	< \$10,000	a reduced amount
	≥ \$10,000	nothing <i>(you cannot contribute to a Roth IRA)</i>

# INDIVIDUAL RETIREMENT ARRANGEMENT (IRA) APPLICATION



Please check the box for the type of IRA you are eligible for:

☐ Traditional ☐ Simplified Employee Pension (SEP) ☐ Roth

If the incorrect box is checked, you may be subject to adverse tax consequences.

## 1. MEMBER INFORMATION *(Please complete all fields even if already on file)*

Member Name *(First, MI, Last)*: \_\_\_\_\_

Date of Birth *(MM/DD/YYYY)*: \_\_\_\_\_ Full SSN: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Home/Cell Phone: \_\_\_\_\_

Spouse's Name: \_\_\_\_\_ Date of Birth *(MM/DD/YYYY)*: \_\_\_\_\_

## 2. TOTAL OPENING CONTRIBUTION

\$25.00 minimum opening deposit is required by contribution, transfer, or rollover.

IRA Share has no minimum balance requirement after opening deposit.

	Dollar Amount	Tax Year***	Penfed Account Number
Contribution by Cash/Check <i>(Must have earned income)</i>	\$ _____		
Contribution by Transfer from PenFed Account <i>(Must have earned income)</i>	\$ _____		
Rollover Amount from Another IRA or Retirement Plan**	\$ _____	N/A	
Transfer from Another Financial Institution*	\$ _____	N/A	

\* Please complete the IRA Transfer Authorization form to transfer your IRA to PenFed.  
(Refer to Disclosure Statement for important information).

\*\* This transaction will report on your 5498 from PenFed.

\*\*\* If no year is selected for contribution only, we will apply towards the year we are currently in. Prior year contributions may be made until tax filing deadline.

## 3. INVESTMENT OPTIONS *(You may have more than one IRA certificate term and more than one maturity option)*

<b>IRA Share Account</b> <i>(Necessary for All IRAs)</i>		\$ _____	
<b>IRA Certificate*</b> <i>(\$1,000 Minimum)</i>		For each certificate, select the <b>maturity</b> option:	
1 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>
2 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>
3 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>
4 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>
5 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>
7 Year Certificate	\$ _____	<input type="checkbox"/> Renew Certificate <sup>†</sup>	<input type="checkbox"/> Close Certificate <sup>††</sup>

<sup>†</sup> Combine dividends and principal, then renew the certificate upon maturity.

<sup>††</sup> Close certificate & deposit in my IRA Share account upon maturity.

\* Any certificates will open effective the day funds are received, at the rate in effect at that time.

Subsequent contributions to your IRA account made by automatic transfer (allotments, net pay or other recurring payments) are treated as current-year contributions.

#### 4. BENEFICIARY DESIGNATION

**Primary Beneficiary** Name (First, MI, Last): \_\_\_\_\_  
Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_ %  
Mailing Address: \_\_\_\_\_

**Primary Beneficiary** Name (First, MI, Last): \_\_\_\_\_  
Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_ %  
Mailing Address: \_\_\_\_\_

☐ **Primary** or ☐ **Contingent Beneficiary** Name (First, MI, Last): \_\_\_\_\_  
Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_ %  
Mailing Address: \_\_\_\_\_

☐ **Primary** or ☐ **Contingent Beneficiary** Name (First, MI, Last): \_\_\_\_\_  
Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_ %  
Mailing Address: \_\_\_\_\_

☐ **Primary** or ☐ **Contingent Beneficiary** Name (First, MI, Last): \_\_\_\_\_  
Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_ %  
Mailing Address: \_\_\_\_\_

Spouse's signature is required below if a beneficiary other than a spouse is named, and the spouse's signature is required by state law based on owner's legal residence. Generally applicable to community property states.

#### 5. AGREEMENT

Upon the death of the member/owner of the IRA account, the primary beneficiary named above will receive the funds. If there is more than one primary beneficiary, the primary beneficiaries will receive the balance in the account in the percentages indicated. If the percentages are not indicated, the named primary beneficiaries shall share the balance in the account equally. If a primary beneficiary predeceases the member/owner, the balance in the account is to be shared by the remaining primary beneficiaries, in equal shares. If all of the primary beneficiaries predecease the member/owner, the balance in the account shall be shared by the contingent beneficiaries in the percentages indicated. If the percentages are not indicated or if the contingent beneficiaries are deceased, the remaining contingent beneficiaries shall share the balance in the account equally. Beneficiary(ies) provided on this form will be applied toward the IRA Share Account and all associated current and future certificates. If you are not currently a Pentagon Federal Credit Union (PenFed) member, you must open a Regular Share Account with a share purchase of at least \$5. Status as a joint owner of another account at PenFed does not constitute membership. Please complete a membership application and return it to us along with your deposit to regular shares, this form and your initial IRA contribution. I hereby request an IRA at PenFed under the terms and conditions outlined herein and I reserve the right to change my beneficiary(ies) solely by filing another designation of beneficiary form with PenFed. I hereby acknowledge I have received, read and agree to abide by the terms of the Disclosure Statement, in addition to form 5305-A Individual Retirement Custodial Account Agreement **and/or** form 5305-RA Roth Individual Retirement Custodial Account.. If I am establishing my account with a rollover contribution, I understand this is an irrevocable election.

X

Member Signature

Date

X

Spouse's Signature

Date

# INHERITED INDIVIDUAL RETIREMENT ARRANGEMENT (IRA) APPLICATION



Please check the box for the type of IRA you are eligible for:

☐ Traditional ☐ Simplified Employee Pension (SEP) ☐ Roth

If the incorrect box is checked, you may be subject to adverse tax consequences.

## 1. MEMBER INFORMATION *(Please complete all fields even if already on file.)*

Member Name *(First, MI, Last)*: \_\_\_\_\_

Date of Birth *(MM/DD/YYYY)*: \_\_\_\_\_ Full SSN: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Home/Cell Phone: \_\_\_\_\_

## 2. INHERITED IRA INFORMATION

Decedent's Name: \_\_\_\_\_ Full SSN: \_\_\_\_\_

Decedent's Date of Birth *(MM/DD/YYYY)*: \_\_\_\_\_ Decedent's Date of Death *(MM/DD/YYYY)*: \_\_\_\_\_

### Where are the funds being transferred from?

☐ Transfer from the Decedent's **PenFed** IRA: Account Number: \_\_\_\_\_ Amount: \_\_\_\_\_

**Please complete A, B and C in Section 3. OR**

☐ Transfer from the Decedent's IRA at **Another Financial Institution**:

Institution Name: \_\_\_\_\_

Account Number: \_\_\_\_\_ Amount: \_\_\_\_\_

When did the Inherited Distributions start? *(MM/DD/YYYY)*: \_\_\_\_\_

Were they based on: ☐ Decedent's Age ☐ Your Age ☐ 10 Year Rule ☐ RMD waived until the 10th year

Current year RMD has been distributed? ☐ Yes ☐ No

If No: What is the current year RMD amount due? \_\_\_\_\_

Fair Market Value of the account as of December 31st of the year of death: \$ \_\_\_\_\_

Current Fair Market Value of the account: \$ \_\_\_\_\_

**Please complete the IRA Transfer Authorization form L-594 to transfer your IRA to PenFed.** (Refer to Disclosure Statement for important information):

**Please complete B and C in Section 3.** *(if you did not select waiver)*

## 3. INHERITED IRA REQUIRED MINIMUM DISTRIBUTION (RMD) SETUP

### A. My RMD Will Be Based On (select one):

☐ 10 Year Rule, annual RMD's required. **Please complete B and C below.**

☐ I am electing to waive annual RMD's and I am aware that this IRA must be distributed in accordance with the IRS rules by the end of the calendar year containing the 10th anniversary of the IRA owner's death. **(Only applicable to beneficiaries of IRA owners who passed in 2020, or later. Includes Traditional IRAs whose owner passed prior to their own required beginning date and all Roth IRAs. Skip B and C below.)**

☐ I am an "Eligible Designated Beneficiary" of a decedent who passed after January 1st, 2020 and choose to use single life expectancy payments. (Excluding minor children. Please confirm with a tax advisor before selecting this option).

**Please choose your payments based on** ☐ **Decedent's Age** or ☐ **Your Age** and complete B and C below.

### B. RMD Details Needed: (If not completed, PenFed will choose for you):

Requested Distribution Frequency: ☐ Monthly ☐ Quarterly ☐ Yearly

Requested Starting Date *(MM/DD/YYYY)*: \_\_\_\_\_

Payment Disbursement: ☐ Send me a Check ☐ Deposit into my PenFed Account No: \_\_\_\_\_

**C. Tax Withholding Preference:** You have the option of having federal income tax withheld from the IRA withdrawal. If you do not make a withholding election, as required by regulation, PenFed will withhold the standard 10% for tax withholding. PenFed recommends that you consult your tax or legal advisor prior to selecting this option.

Do you want federal income tax withheld from this IRA withdrawal?

☐ Yes (choose one option below). ☐ No

If yes, ☐ I would you like the Standard Rate of 10% or

☐ I hereby direct PenFed to withhold \_\_\_\_\_% or specifically \$ \_\_\_\_\_ from my withdrawal(s).

**D. Eligible Designated Beneficiary:** For purposes of beneficiary distribution options effective on or after January 1st, 2020, eligible designated beneficiaries generally are individuals who, at the time of the account owner's death, are a spouse, a minor child, a disabled individual, a chronically ill individual, or a beneficiary whose age is within 10 years below the decedent's. Minor children must start the 10 year rule once they turn 18.

#### 4. BENEFICIARY DESIGNATION

**Primary Beneficiary Name** (First, MI, Last): \_\_\_\_\_

Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_%

Mailing Address: \_\_\_\_\_

☐ **Primary** ☐ **Contingent Beneficiary Name** (First, MI, Last): \_\_\_\_\_

Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_%

Mailing Address: \_\_\_\_\_

☐ **Primary or** ☐ **Contingent Beneficiary Name** (First, MI, Last): \_\_\_\_\_

Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_%

Mailing Address: \_\_\_\_\_

☐ **Primary or** ☐ **Contingent Beneficiary Name** (First, MI, Last): \_\_\_\_\_

Date of Birth (MM/DD/YYYY): \_\_\_\_\_ Full SSN: \_\_\_\_\_ Percent Allotted: \_\_\_\_\_%

Mailing Address: \_\_\_\_\_

#### 5. AGREEMENT

Upon the death of the member/owner of the IRA account, the primary beneficiary named above will receive the funds. If there is more than one primary beneficiary, the primary beneficiaries will receive the balance in the account in the percentages indicated. If the percentages are not indicated, the named primary beneficiaries shall share the balance in the account equally. If a primary beneficiary predeceases the member/owner, the balance in the account is to be shared by the remaining primary beneficiaries, in equal shares. If all of the primary beneficiaries predecease the member/owner, the balance in the account shall be shared by the contingent beneficiaries in the percentages indicated. If the percentages are not indicated or if the contingent beneficiaries are deceased, the remaining contingent beneficiaries shall share the balance in the account equally. Beneficiary(ies) provided on this form will be applied toward the IRA Share Account and all associated current and future certificates. If you are not currently a Pentagon Federal Credit Union (PenFed) member, you must open a Regular Share Account with a share purchase of at least \$5. Status as a joint owner of another account at PenFed does not constitute membership. Please complete a membership application and return it to us along with your deposit to regular shares, this form and your initial IRA contribution. I hereby request an IRA at PenFed under the terms and conditions outlined herein and I reserve the right to change my beneficiary(ies) solely by filing another designation of beneficiary form with PenFed. I hereby acknowledge I have received, read and agree to abide by the terms of the Disclosure Statement, in addition to form 5305-A Individual Retirement Custodial Account Agreement and/or form 5305-RA Roth Individual Retirement Custodial Account. If I am establishing my account with a rollover contribution, I understand this is an irrevocable election. \*SECURE Act was signed into law December 20th, 2019 and mandates the depletion of an inherited IRA within 10 years if owner passes on or after January 1st, 2020. In addition, annual distributions to beneficiary(ies) may be required if the IRA owner died after their required beginning date. Some exceptions may apply. Exceptions include those who at the time of the account owner's death, are Eligible Designated Beneficiaries, such as disabled individuals, certain chronically ill individuals, beneficiaries not more than 10 years younger than the account owner, and minors of the decedent. For more information on these exceptions, please consult with your accountant, tax advisor, refer to The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, Pub.L. 116-94, or contact your local Internal Revenue Service office.

X

Member Signature

Date



**Sections 1, 2 & 3** to be completed/signed by the **PenFed Member**. Section 4 to be completed by PenFed.

**1. MEMBER DETAILS**

Date: \_\_\_\_\_

Member Name: \_\_\_\_\_

PenFed Member Number: \_\_\_\_\_ Last 4 of SSN: \_\_\_\_\_

Name of Transferring Institution: \_\_\_\_\_

Address of Transferring Institution: \_\_\_\_\_

Transferring Institution IRA Account No: \_\_\_\_\_ Fax # (if applicable) \_\_\_\_\_

**2. INSTRUCTIONS TO TRANSFERRING INSTITUTION****ATTENTION IRA ADMINISTRATOR:**Please accept this letter as your authorization to transfer: *(check one alternative below)*

- ☐ The balance of my IRA including accrued interest on \_\_\_\_\_ less applicable penalties or fees to Pentagon Federal Credit Union (PenFed). *insert date transfer is to be made*
- ☐ The sum of \$ \_\_\_\_\_ from my IRA to Pentagon Federal Credit Union (PenFed).

**The type of IRA I have is:** ☐ Traditional ☐ SEP ☐ Roth  
☐ Inherited Traditional ☐ Inherited SEP ☐ Inherited Roth

If you inherited the IRA, please include the following:

Decedent's Name: \_\_\_\_\_

Date of Death: \_\_\_\_\_ Decedent's SSN: \_\_\_\_\_

**Mail the check (if applicable) and a copy of this letter to:** PenFed Credit Union - Attention: IRA Department  
PO Box 247009, Omaha, NE 68124-7009

**For Overnight Delivery please use:** PenFed Credit Union - Attention: IRA Department  
13220 Fort St., Omaha, NE 68164

**Depositor's Signature****Date****Depositor's Printed Name****3. DESIGNATION OF FUNDS** Upon receipt, deposit funds into: *(check appropriate box(es))*

IRA Share Account (\$25 minimum)	IRA Premier Account (\$10,000 minimum) Rollover/Transfer Only	IRA Certificate Term <i>(\$1,000 minimum)</i>					
		1 - Year	2 - Year	3 - Year	4 - Year	5 - Year	7 - Year
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. PENFED USE ONLY**

This is to certify PenFed has accepted the appointment as Successor Custodian of the IRA named above.

Please make the check payable to:

PenFed Credit Union FBO: \_\_\_\_\_ whose account number is

PenFed Printed Name and Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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# Traditional Individual Retirement Trust Account

(Under section 408(a) of the Internal Revenue Code)

Do not file  
with the Internal  
Revenue Service

Name of grantor	Date of birth of grantor	Account number
Address of grantor		Check if amendment <input type="checkbox"/>
Name of trustee	Address or principal place of business of trustee	

The grantor named above is establishing a traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The trustee named above has given the grantor the disclosure statement required by Regulations section 1.408-6.

The grantor has assigned the trust \_\_\_\_\_ dollars (\$ \_\_\_\_\_) in cash.

The grantor and the trustee make the following agreement.

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

## Article II

The grantor's interest in the balance in the trust account is nonforfeitable.

## Article III

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

## Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the grantor's interest in the trust 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 grantor's entire interest in the trust account must be, or begin to be, distributed not later than the grantor's required beginning date, April 1 following the calendar year in which the grantor reaches age 70½. By that date, the grantor may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the grantor or the joint lives of the grantor and his or her designated beneficiary.
3. If the grantor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the grantor dies on or after the required beginning date and:
    - (i) The designated beneficiary is the grantor'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 grantor'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 grantor 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 grantor as determined in the year of the grantor's death and reduced by 1 for each subsequent year.
  - (b) If the grantor dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below:
4. If the grantor dies before his or her entire interest has been distributed and if the designated beneficiary is not the grantor's surviving spouse, no additional contributions may be accepted in the account.
  - (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 grantor's death. If, however, the designated beneficiary is the grantor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the grantor would have reached age 70½. But, in such case, if the grantor'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 grantor's death.
5. The minimum amount that must be distributed each year, beginning with the year containing the grantor'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 grantor reaches age 70½, is the grantor'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 grantor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the grantor'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 grantor's (or, if applicable, the grantor 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 grantor's death (or the year the grantor would have reached age 70½, 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 grantor reaches age 70½ 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 grantor agrees to provide the trustee 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 trustee agrees to submit to the Internal Revenue Service (IRS) and grantor 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 below.

**Article VIII**

Article VIII may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Grantor's signature .....	Date .....
Trustee's signature .....	Date .....
Witness' signature .....	Date .....

(Use only if signature of the grantor or the trustee is required to be witnessed.)

**General Instructions**

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

**Purpose of Form**

Form 5305 is a model trust account agreement that meets the requirements of section 408(a). However, only Articles I through VII have been reviewed by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (grantor) and the trustee. To make a regular contribution to a traditional IRA for a year, the IRA must be established no later than the due date (excluding extensions) of the individual's income tax return for the year. This account must be created in the United States for the exclusive benefit of the grantor and his or her beneficiaries.

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

For more information on IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs), and **Pub. 590-B**, Distributions from Individual Retirement Arrangements (IRAs).

**Definitions**

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

**Grantor.** The grantor is the person who establishes the trust account.

**Traditional IRA for Nonworking Spouse**

Form 5305 may be used to establish the IRA trust for a nonworking spouse.

Contributions to an IRA trust account for a nonworking spouse must be made to a

separate IRA trust account established by the nonworking spouse.

**Specific Instructions**

**Article IV.** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the grantor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

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

**Roth Individual Retirement Custodial Account**

(Under section 408A of the Internal Revenue Code)

**Do not file**  
with the Internal  
Revenue Service

Name of depositor	Date of birth of depositor	Account number
Address of depositor		Check if amendment <input type="checkbox"/>
Name of custodian	Address or principal place of business of custodian	

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

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

The depositor assigned the custodial account \$ .....

The depositor and the custodian make the following agreement.

**Article I**

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

**Article II**

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

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

**Article III**

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

**Article IV**

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

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

**Article V**

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with paragraph (a) below or, if elected or there is no designated beneficiary, in accordance with paragraph (b) below.

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

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

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

3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

**Article VI**

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

2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

Article VII

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

Article VIII

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

Article IX

Article IX may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code and may not imply that they have been reviewed or pre-approved by the IRS.

Depositor's signature .....	Date .....
Custodian's signature .....	Date .....
Witness' signature .....	Date .....
(Use only if signature of the depositor or the custodian is required to be witnessed.)	

General Instructions

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

Purpose of Form

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

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

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross

to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs), and Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs).

Definitions

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

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

Specific Instructions

Article I. The depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's

compensation is less than the amount contributed by or on behalf of them for the tax year.

Article V. This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph 3 of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

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



# INDIVIDUAL RETIREMENT AGREEMENT DISCLOSURE STATEMENT (INCLUDING SIMPLIFIED EMPLOYEE PENSION PLAN)

## GENERAL

This Disclosure Statement explains the Internal Revenue Service (IRS) rules and regulations governing the operation and tax considerations of an Individual Retirement Arrangement (IRA). Additionally, the Disclosure explains specific features of your Pentagon Federal Credit Union (PenFed) IRA. It is furnished to you in accordance with Internal Revenue Service regulations. We have highlighted sections, which are extremely important.

This disclosure applies to all IRAs offered by PenFed. The term "Traditional IRA" applies to Contributory, Rollover, or SEP IRAs, and "Roth IRA" applies to the IRA created by the Taxpayer Relief Act of 1997.

Because some of these provisions apply only to a Traditional IRA or to a Roth IRA, either "Traditional" or "Roth" will precede section titles. Those sections applying to both will state "Traditional/Roth."

## I. ACCOUNT REVOCATION

**TRADITIONAL/ROTH.** You may decide for any reason to revoke your Pentagon Federal IRA within 30 days of the date of establishment. Your request to revoke your account must be made in writing and should be sent to Pentagon Federal Credit Union, Attention: IRA Department, PO Box 247009, Omaha, NE 68124-7009. Upon receipt of your letter, PenFed will refund your contribution in full, neither crediting your account with earnings nor charging it with any administrative fees. Revocation of your IRA is subject to reporting to the IRS. If you have questions concerning your right to revoke your account, please call us at 1-800-247-5626.

## II. LEGAL REQUIREMENTS

**TRADITIONAL/ROTH.** Your IRA is a custodial account established for the sole benefit of you and your designated beneficiaries. An IRA must be established by a written document meeting each of the following provisions:

- TRADITIONAL/ROTH.** You may not act as your own trustee or custodian. The account must be established with an authorized trustee or custodian, such as Pentagon Federal Credit Union. This IRA has been approved as to form by the IRS. This approval is a determination only as to the form of the account and does not represent a determination of the merits of the account.
- TRADITIONAL/ROTH.** All contributions or rollover deposits made to your account must be made in cash, e.g., check, payroll deduction, transfer etc. If you wish to use shares of stock, bonds, or other investment instruments as your contribution, you must first sell the securities and contribute the proceeds. Your PenFed IRA may not be funded with gold bullion or coins. Total contributions may not exceed amounts authorized by law.
- TRADITIONAL/ROTH.** Your contributions are not subject to forfeiture.
- TRADITIONAL/ROTH.** No part of your IRA may be commingled with other funds except in a common trust fund or investment fund. Further, no part of your IRA interest may be invested in life insurance contracts.
- TRADITIONAL.** Your IRA must be distributed in accordance with IRS regulations. Article X explains the required distributions you must receive from your IRA and in the event of your death the distributions your beneficiary(ies) must receive.  
**ROTH.** Mandatory distribution requirements do not apply to the Roth IRA.
- TRADITIONAL/ROTH.** If you name a beneficiary other than your spouse, spousal consent may be required. This is indicated on the IRA application.

## III. TAX CONSIDERATIONS

The primary tax consequences you should consider before establishing an IRA are as follows. For more specific tax information, please consult with your accountant, tax advisor, IRS Publication 590A, or contact your local Internal Revenue Service office.

- TRADITIONAL.** Tax-Deferred Dividends. All dividends earned on your IRA contributions are tax deferred. This includes earnings on contributions that are not tax deductible. Earnings are subject to tax when you actually begin receiving distributions (or a distribution is deemed to be made).  
**ROTH.** All dividends earned on your IRA contributions are tax-free, subject to certain limitations.
- TRADITIONAL.** Tax-Deductible Contributions. You may be able to make tax-deductible contributions to an IRA not to exceed the current annual limit or 100% of earned income, whichever is less, for any year. You are permitted this deduction if either you, or your spouse (if married), is not an active participant in a qualified retirement plan, or if your modified adjusted gross income does not exceed certain limits established by IRS.  
**ROTH.** Contributions to your IRA are not deductible. Contributions to both Traditional and Roth may be made at any age provided you have earned income.
- TRADITIONAL.** Nondeductible Contributions. Although you may not qualify for a tax-deductible contribution, you may still make a contribution to an IRA not to exceed the current annual limit or 100% of earned income, whichever is less, for any year.  
**TRADITIONAL/ROTH.** You may split your contributions between a Traditional or Roth IRA, subject to maximum contributions not to exceed the current annual limit or 100% of earned income, whichever is less.
- TRADITIONAL.** Taxable Distributions. Generally, any distribution you receive from your IRA that is not rolled over to another IRA within 60 days from the date of receipt must be included in your gross income for federal income tax purposes. Such distributions are subject to ordinary income tax rates and are not eligible for either capital gains treatment or the elective 10-year averaging, which is available for certain lump-sum distributions from "qualified" retirement plans. Exceptions to this rule occur if 1) you have made nondeductible contributions to a Traditional IRA, or 2) the distribution of certain refunds of an excess contribution. If you have made nondeductible contributions, a portion of your distribution will not be taxed as it represents a recovery of the taxable (nondeductible) contribution. Distribution of a refund of an excess contribution, greater than the maximum annual contribution, will be taxable income, regardless of whether a deduction was allowed for the contribution.

**ROTH.** Distributions from your Roth are not includable in income if the distribution is a "qualified distribution." A qualified distribution may not be received within the 5-tax year period beginning with the first tax year in which a contribution is made. Qualified distributions are distributions: made after you attain age 59½, made on your death, disability distributions, or for first time home purchase, for qualified higher education expenses, for medical expense exclusion, or for medical premiums for unemployed individuals.

- TRADITIONAL/ROTH.** Tax-Free IRA Rollover. Rollover distributions you take from your IRA are not taxable to you, provided the entire amount is rolled over into an IRA within 60 days from the date you receive the funds. Any amount not rolled over within this time period will be deemed as distributed by the IRS. Neither the IRS nor PenFed can extend the 60-day time period. To qualify as a tax-free rollover it must be a rollover from a Traditional IRA to another Traditional IRA or a Roth IRA to another Roth IRA. This type of transaction cannot be done more than once in a 365 day period.  
**TRADITIONAL/ROTH.** Rollover from a Traditional IRA to a Roth IRA. This is also referred to as a "conversion." Special rules apply to this type of rollover. A rollover from a Traditional IRA to a Roth will be taxable. Otherwise, the rollover is taxable in the year in which the rollover/conversion occurs.
- TRADITIONAL/ROTH.** Prohibited Transactions. If you engage in a "prohibited transaction", such as borrowing from your IRA or selling your interest in your IRA, your account will lose its tax-favored treatment. The entire balance (unless you have made nondeductible contributions) will be immediately taxable AND, if you are not yet 59½ years of age, the amount will be subject to the IRS 10% premature distribution penalty.
- TRADITIONAL/ROTH.** Pledging IRA Funds as Collateral. If you pledge your IRA as collateral, the amount pledged will be deemed to have been distributed to you and that amount must be includable in your gross income in the year the funds were pledged. If you have not attained 59½ years of age, the IRS 10% premature distribution penalty will apply.

## IV. AMOUNT AND TIMING OF CONTRIBUTIONS

- TRADITIONAL.** Maximum Contribution. The total amount you may contribute for any tax year may not exceed the current annual limit or 100% of earned income, whichever is less (excluding any amount rolled over).  
**ROTH.** The total amount you may contribute for any tax year may not exceed the current annual limit or 100% of earned income, whichever is less (excluding any amount rolled over).  
**TRADITIONAL/ROTH.** You may split your contributions between a Traditional or Roth however you choose; however, total contributions may not exceed the current annual limit or 100% of earned income, whichever is less.
- TRADITIONAL/ROTH.** A minimum \$25.00 contribution must be made to establish your IRA. Once established, you need not make a contribution each year, nor is there a minimum annual contribution amount required. You may make contributions of any amount as frequently as you like, subject to annual contribution limits. If you decide not to make a contribution prior to the tax-filing deadline, you may not make this up in a later year.
- TRADITIONAL/ROTH.** Definition of Earned Income. Earned income is defined as: wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including but not limited to tips, bonuses, and commissions). Earned income must be reduced by any deduction a self-employed individual takes for contributions they made to their Keogh plan.
- TRADITIONAL/ROTH.** IRA for Your Non-Working Spouse. If a spouse does not have earned income, a spousal IRA may be established. The combined contribution may not exceed the current annual limit or 100% of earned income, whichever is less. However, your contribution to either account may not exceed the current annual limit.
- TRADITIONAL/ROTH.** Contributions by Tax Filing Deadline. You may make contributions for a tax year at any time during the year either by periodic payments or in one lump sum, up to and including the tax-filing deadline (excluding extensions). For members filing on a calendar-year basis, the tax filing deadline is generally April 15. For contributions made between January 1 and the tax filing deadline for the previous tax year, referred to as "prior year contributions," you must specifically designate the contribution as such. Contributions made by direct deposit will be credited for the taxable year in which they are received. Contributions received without a tax year designation will be credited for the year we are currently in. Undesignated contributions received after the tax-filing deadline will be credited for the calendar year received. If we are not able to credit your tax-year contribution as you have designated, your funds will be credited to your Regular Share account and PenFed will contact you.
- TRADITIONAL.** Rollover from an Employer's Plan to an IRA. If you receive a qualified total distribution from your employer's qualified plan, you may be able to roll over all or a portion of it, tax free, to an IRA. You can roll over the distribution if:
  - It is received within one tax year because your employer ends the plan; or
  - It is received within one tax year because your employer stops making contributions to the plan; or
  - It is a lump-sum distribution; or
  - It is a distribution of all or part of your voluntary deductible employee contributions. You can roll over, tax-free, all or part of a lump-sum distribution from your employer's plan.A lump-sum distribution is a distribution of your complete share in the plan, received within one year that is made:
  - Because of your death; or
  - After you are age 59½; or
  - It is a distribution of all or part of your voluntary deductible employee contributions. You can roll over, tax free, all or part of a lump-sum distribution from your employer's plan.A lump-sum distribution is a distribution of your complete share in the plan,

a. The partial distribution is equal to at least 50% of your account balance in the plan; and

b. The distribution must be rolled over into an IRA.

If you elect partial distribution roll-over treatment, you may not later roll over any portion of the distribution from the IRA into another qualified employer plan.

ROTH. Partial distributions from Qualified Plan may be rolled over to a Roth IRA.

2. **TRADITIONAL/ROTH. IRA to IRA Custodial Transfer.** This occurs when you instruct (in writing) one custodian to send or transfer all or part of your IRA funds directly to another custodian. You should inquire at an institution holding the IRA whether any penalties would apply as the result of the transfer. There is no limit as to the number or frequency of transfers. Transfers must occur between the same type of IRA, i.e., Traditional to Traditional, or Roth to Roth. No tax deduction is allowed for the amount transferred.

**TRADITIONAL.** Any transfer occurring after the applicable age is subject to the required minimum distribution provisions. Your "applicable age" is determined by your date of birth. For IRA owners born on or after July 1, 1949, it is age 72 (or age 73 if the IRA owner has not attained age 72 by December 31, 2022. For IRA owners born before June 30, 1949, it is age 70½. Your "required beginning date" is generally the April 1 following the date you attain the applicable age. Refer to X.5. for more details.

3. **TRADITIONAL/ROTH. IRA Rollover.** You may request (in writing) a withdrawal from any IRA you have for the purpose of rolling over these funds to an IRA at another financial institution, not more frequently than once every 365 days. You must roll (deposit) the funds into an IRA within 60 days of the date you received them. Funds not rolled over within 60 days will be deemed as distributed by the IRS and subject to ordinary income tax as well as the premature distribution penalty, provided you have not reached age 59½. No tax deduction is permitted for amounts rolled over.

#### VI. TAX DEDUCTIBLE CONTRIBUTIONS

The deductibility of your IRA contributions is based on the following rules and regulations:

1. **TRADITIONAL. Not an Active Participant.** If you, or your spouse, if married, are not an active participant(s) in an employer-sponsored pension plan, you may each contribute an amount not to exceed the current annual limit or 100% of earned income. Your contributions are tax deductible regardless of your modified adjusted gross income.

2. **TRADITIONAL. Active Participation.** You are considered an "active participant" for any year you are covered by a retirement plan. You are "covered" for the purpose of determining your deductible contribution limit if your employer or union has a retirement plan under which money was added on your behalf, or you were eligible to have a contribution made on your behalf. For example, if you are covered under a qualified pension, profit-sharing, stock bonus, or annuity plan (this includes 401(k) and Keogh plans), a tax-sheltered annuity plan under Section 403(b) of the Internal Revenue Code, a simplified employee pension (SEP) plan, or a government plan (but not an unfunded deferred-compensation plan covered under Section 457 of the Code) during any part of the plan year ending with or within the taxable year, you are most likely an "active participant." You are an active participant for a year even if you are not yet vested in your retirement plan. Also, if you make required contributions or voluntary employee contributions to a retirement plan, you are an active participant. In some cases, you may be considered an active participant even if you were only covered by certain plans with an employer during part of the year.

You are not considered an active participant if you are covered in a plan because of your service as 1) an Armed Forces Reservist for less than 90 days a year, or 2) a volunteer fire fighter covered for firefighting service by a government plan. If you are covered by another plan, these exceptions do not apply.

Your IRS Form W2 (Wage and Income Statement) you receive from your employer should indicate whether you are an active participant in the employer's sponsored plan.

3. **TRADITIONAL. Determining your Deductible Contribution Amount.** If either you or your spouse, if married, was covered by an employer-sponsored pension plan (as defined above) anytime during the taxable year, only a portion of your contribution for that taxable year may be tax deductible. The amount you may deduct (if any) is dependent on your combined modified adjusted gross income.

ROTH. Contributions to your Roth are not deductible.

#### VII. NONDEDUCTIBLE CONTRIBUTIONS

**TRADITIONAL.** Even though you do not qualify for a deductible contribution, you are permitted to make nondeductible contributions. You may make nondeductible contributions in addition to deductible contributions not to exceed the current annual limit or 100% of earned income, whichever is less. If you are an active participant and your modified adjusted gross income is above the limit set for a partial deduction, your entire contribution up to the legal maximum will be nondeductible.

1. **TRADITIONAL. Deductible and Nondeductible Contributions.** The determination as to whether your contribution is deductible is made at the time you file your income tax return. You will be required to complete IRS Form 8606 to designate a contribution as "nondeductible." You are responsible for keeping track of your deductible and nondeductible contributions; PenFed cannot do this for you.

2. **TRADITIONAL. Tax Treatment.** Because no deduction is taken at the time a nondeductible contribution is made, these amounts are not taxable when withdrawn. However, all earnings on your nondeductible contributions are tax-deferred and thus subject to ordinary income tax when withdrawn.

3. **TRADITIONAL. Withdrawal of Nondeductible Contributions.** As with deductible contributions, you are required to begin receiving distributions

from your IRA by your required beginning date (see section X). However, you will be required to complete IRS Form 8606 to determine what portion of your distribution is a recovery of a nondeductible contribution (and thus not taxable when withdrawn) and what portion of your withdrawal represents tax-deferred earnings or deductible contributions which will now be subject to tax.

#### VIII. EXCESS CONTRIBUTIONS

Any amount you contribute to your IRA either as a Rollover or a tax year contribution that is

above the legal maximum for your situation is considered an "excess contribution." The IRS provides for various methods of "curing" an excess contribution dependent on the amount of the excess and when the excess is cured (before or after the tax-filing deadline). You must file IRS form 5329 for any year in which you have an excess contribution.

1. **TRADITIONAL/ROTH. Refund of Excess Contribution Before the Tax Filing Deadline.** If you make a contribution to your IRA for a taxable year that exceeds your IRA deduction limit you may designate it as a nondeductible contribution when you file your tax return, so long as the total (deductible and nondeductible contribution) does not exceed the current annual limit or 100% of earned income, whichever is less.

If you cannot or do not wish to treat the excess as a nondeductible contribution, you may withdraw the amount of the excess plus the earnings prior to the tax-filing deadline including extensions. The amount of the excess will not be taxable, provided no deduction is taken, but the earnings attributable to the excess will be taxable at ordinary income tax rates. Additionally, if you are less than 59½ years of age, you will be subject to the IRS 10% premature distribution penalty of the amount of earnings withdrawn. The IRS has specific rules for the calculation of the earnings attributable to the excess contribution. PenFed will make this calculation.

2. **TRADITIONAL/ROTH. Refund of Excess Contribution After the Tax Filing Deadline.** If an excess contribution is not removed prior to the tax filing deadline (including extensions), the refunded excess contribution will not be includable in income as an IRA distribution (and thus possibly subject to the 10% premature distribution penalty) if your total IRA contribution was less than the current annual limit and you did not take a deduction for the amount of the excess. However, you will be subject to an IRS penalty of 6% of the amount of the excess for each year it remains in your IRA. Under this option IRS does not require you to withdraw the earnings attributable to the excess contribution.

3. **TRADITIONAL/ROTH. Refund of Excess Contribution Greater than the Current Annual Limit and After the Tax Filing Deadline.** If your contribution is above \$6,500 (\$7,500 if 50 and older), the amount of the excess will be includable in income in the year withdrawn regardless of whether a deduction was taken. Additionally, you will be subject to a 6% penalty of the amount of the excess for each year the amount remains in your IRA. Under this option, the IRS does not require you to remove the earnings attributable to the excess contribution.

4. **TRADITIONAL/ROTH. Applying an Excess Contribution to a Subsequent Tax Year.** Provided no deduction was taken and the amount of the total contribution (including the excess) was not greater than the Current Annual Limit, you may apply the amount of the excess contribution to the following tax year. This is done by not contributing the maximum amount to the subsequent year. Since no deduction was taken in the prior year, the total amount (your contributions, if any, plus the amount of the prior year's excess) may be designated as deductible or nondeductible.

#### IX. SIMPLIFIED EMPLOYEE PENSION PLAN (SEP)

**TRADITIONAL.** A SEP IRA is a special type of IRA that allows employers to make deductible contributions to a separate specifically designated IRA established by their employees (or for themselves if self-employed). Contributions may be made each year not to exceed the current annual limit. Additionally, an employee may make their own IRA contribution into the SEP not to exceed the annual limit or 100% of earned income whichever is less. Employee contributions must be specifically designated at the time of deposit.

#### X. DISTRIBUTIONS

**TRADITIONAL.** In general, distributions you receive from your IRA will be includable in your gross income for the year received. Exceptions to this include properly executed Rollover, certain refunds of excess contributions and nondeductible contributions.

**ROTH.** Qualified distributions from your Roth are generally tax free. (See IV.4. Roth)

1. **TRADITIONAL. Ordinary Income Tax.** Distributions that are includable in gross income will be taxed at ordinary income tax rates.

2. **TRADITIONAL. Distribution of Nondeductible Contributions.** If you withdraw an amount from your IRA and you have previously made nondeductible contributions, then the amount excludable from income for the taxable year is the portion of the amount that bears the same ratio to the amount withdrawn as your aggregate nondeductible contributions bears to your aggregate (including any SEP or Rollover IRA you may have) IRA balance at the end of the year. For example, an individual withdraws \$2,000 from an IRA. At the end of the year the aggregate (or fair market value) of all their IRAs is \$25,000, the aggregate amount of nondeductible contributions previously not withdrawn is \$4,000. The amount of the individual distribution excludable from taxable income is \$296 (\$4,000/\$27,000 times \$2,000) and the remaining \$1,704 is taxable.

3. **TRADITIONAL/ROTH. Penalty for Early (Premature) Withdrawals.** If you receive a taxable distribution from your IRA before you attain age 59½, for any reason other than disability, home purchase, qualified education expenses, qualified birth and adoption expenses, medical expense exclusion, or medical premiums for unemployed individuals, it will be subject to an IRS penalty of 10% of the amount withdrawn. This IRS penalty is nondeductible



1. **TRADITIONAL.** Delay of Distributions. Although you may delay your distribution required for the year you attain the applicable age to April 1 of the following year, you will also be required to receive a distribution for that taxable year by December 31. If distribution is delayed and you have requested annual distributions, the distribution for the year you attain the applicable age will be made April 1 (the required beginning date) and the current year's distribution will be made December 1. For monthly and quarterly distributions, you may select the beginning date provided it is no later than April 1. One distribution will be made at each interval (monthly or quarterly) which represents the delayed year's distribution and the current year's required distribution.
2. **TRADITIONAL.** Changing Distribution Options. You may at any time elect to change the distribution frequency, i.e., monthly, quarterly or annually, or elect to receive the balance in a lump sum. However, IRS regulations prohibit changing the distribution option, i.e., Uniform Lifetime table or Joint Life table (if spouse is more than 10 years younger) to an option that would provide for an annualized pay out of a lesser amount. To this extent, your distribution option selection will be irrevocable. However, if you named your spouse as beneficiary and have a change in your marital status, due to death or divorce and name a new beneficiary, you may change your distribution option. You may request additional distributions at any time.
3. **TRADITIONAL.** Penalty for Failing to Receive Minimum Distribution. Based on the instructions you provide PenFed, we will process your distributions in accordance with IRS regulations. It is your responsibility to ensure you have received the required minimum distribution for each year. Additionally, if you rollover funds to PenFed from another institution after attaining the applicable age, you need to notify PenFed of any changes to your distribution schedule.

#### XI. DISTRIBUTIONS UPON DEATH

Traditional/Roth. In the event of your death, the funds will be disbursed to the named beneficiary(s). If you do not name beneficiary(s) your IRA will be includable in your estate. Distribution options and tax consequences vary according to whether the beneficiary is the spouse and whether required distributions have begun. Failure of your beneficiary or spouse's beneficiary to carry out one of the distribution options described below, on a timely basis, as required by law, may result in an excise tax penalty being applied. Further, if the beneficiary does not provide PenFed instructions regarding distribution of the IRA funds, the entire balance will be distributed no later than December 1 of the year following the owner's death. Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401 (a)(9) and Treasury Regulation 1.408-8. These requirements are described below.

1. **Death of IRA Owner Before January 1, 2020** - Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death.

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

If you die before your required beginning date, the entire amount remaining in your account will, at the election of your designated beneficiaries, either (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or (b) be distributed over the remaining life expectancy of your designated beneficiaries.

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

2. **Death of IRA Owner On or After January 1, 2020** - The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary, or you have no designated beneficiary for purposes of determining a distribution period. This requirement applies to beneficiaries regardless of whether you die before, on, or after your required beginning date. If your beneficiary is an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over the remaining life expectancy of your eligible designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary).

An eligible designated beneficiary is any designated beneficiary who is:

- your surviving spouse,
- your child who has not reached the age of majority,
- disabled (A physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration),
- an individual who is not more than 10 years younger than you, or
- chronically ill (A chronically ill individual is someone who (1) is unable to

perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment).

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of your death. However, if your spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year you would have attained the applicable age, if later. If your eligible designated beneficiary is your minor child, life expectancy payments must begin by December 31 of the year following the year of your death and continue until the child reaches the age of majority. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

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

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

#### XII. INCOME TAX WITHHOLDING

**TRADITIONAL.** You may elect to have federal income tax withheld from any distribution at the rate of only 10% of the total amount distributed. This election is optional to all IRA holders unless your PenFed address of record is outside the United States. IRS regulations require mandatory 10% withholding on all IRA distributions sent outside the United States (excluding American Samoa, Mariana Islands, Puerto Rico, U.S. Virgin Islands, FPO, APO, and Guam). However, you must specifically indicate that you do not want Federal Income Tax Withholding on the PenFed distribution form, otherwise withholding will occur.

#### XIII. PENTAGON FEDERAL ACCOUNT DISCLOSURES

**TRADITIONAL/ROTH—all provisions.**

1. The credit union reserves the right to make changes in the terms and conditions of its IRA program without prior notice.
2. IRA Share and Certificate accounts are insured separately from any other account you may have with PenFed up to \$250,000 by NCUA, an agency of the United States government.
3. IRA Share accounts are subject to the following terms and conditions:
  - a. Dividends are calculated on a simple-interest basis from day of deposit until day of withdrawal, compounded and paid monthly at a rate declared by the Board of Directors. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.
  - b. The minimum amount required to establish and maintain an IRA Share account is \$25.00.
  - c. Additions may be made at any time, in any amount, subject to the limits provided by law for the type of IRA selected.
  - d. Withdrawals:
    - (1) Only you may request a withdrawal from your IRA Share account; beneficiaries have access to the account only upon your death.
    - (2) Partial withdrawals may be made, subject to early withdrawal penalties as described in paragraph (g) below, providing the requested withdrawal amount does not reduce the original issue below a minimum of \$1,000 for 1-, 2-, 3-, 4-, 5-, or 7-year IRA Certificates, in which case the funds will be transferred to the IRA Share account.
    - (3) The credit union reserves the right to require a written notice of up to 60 days of intention to withdraw from your IRA Share account.
4. IRA Certificates are subject to the following terms and conditions:
  - a. Maturity of 1, 2, 3, 4, 5, or 7 years are available.
  - b. The minimum amount required for a 1-, 2-, 3-, 4-, 5-, or 7-year IRA Certificate is \$1,000.
  - c. The dividend rate is set monthly by the Board of Directors.
  - d. Dividends:
    - (1) Dividends are compounded daily on a 365/365 day basis and are credited monthly.
    - (2) Dividends will be paid from day of deposit to day of maturity on the balance of the Certificate. They will be paid at the contracted rate.
  - e. **ADDITIONS TO CERTIFICATES MAY BE MADE ONLY AT MATURITY.** New Certificates may be purchased at any time subject to PenFed minimum deposit requirements and applicable annual contributions limits established by the government.
  - f. **WITHDRAWALS:**
    - (1) Only you may request a withdrawal from your IRA Certificates; beneficiaries have access to the account only upon your death. Funds are available for withdrawal on the business day following the maturity date. If the maturity date is a Sunday, funds will be available in two business days.
    - (2) Partial withdrawals may be made, subject to early withdrawal penalties as described in paragraph (g) below, providing the requested withdrawal amount does not reduce the original issue below a minimum of \$1,000 for 1-, 2-, 3-, 4-, w5-, or 7-year IRA Certificates, in which case the funds will be transferred to the IRA

5. IRA Premier Share account is a variable rate account. The dividend rates and APY may change monthly as determined by the Board of Directors. There are no limitations on the amount the dividend rate may change. The dividend rate is based on the daily balance in your account. If the daily balance is \$10,000 or more, you will be paid the dividend rate applicable to this tier. If the daily balance is less than \$10,000, you will be paid the dividend rate applicable to this tier. PenFed pays dividends on the full balance in the account at the dividend rate that corresponds to the applicable share balance tier. Therefore, during your dividend period based on fluctuating account balance, you may be paid dividends at varying dividend rates.
- a. Dividends are paid and compounded monthly. The dividend period is monthly and your member number determines the dividend payment date.
  - b. The minimum amount required to open this account is \$10,000.
  - c. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in your account each day.
  - d. Dividends will begin to accrue on the business day funds are deposited to your account.

#### XIV. FINANCIAL DISCLOSURE TABLES

Internal Revenue Service regulations require that we set forth a projection of the growth in value of your account at specified intervals, assuming level annual contributions made on the first day of the year. This is shown in the tables following, which assumes an annual contribution of \$1,000 to an IRA Share account and to an IRA 3-year Certificate. The amount shown is the amount that would be available for withdrawal at selected intervals. The Internal Revenue Service also requires we set forth a projection of the growth of a Rollover of \$1,000 made on the first day of year one, and withdrawn at the end of any of the next five years, and at the end of the years in which you attain the ages of 60, 65, and 70. Of course, rates fluctuate from time to time, and nothing herein should suggest these rates be guaranteed.

NOTE: Beginning Jan 1, 2015, the IRS will only permit one rollover deposit of a distribution in a 12-month period for all IRA accounts. Any additional rollover deposits will be returned. This limitation does not apply to Roth conversions or institution transfers.

**VALUE OF \$1,000 DEPOSITED ANNUALLY  
in an IRA SHARE ACCOUNT**

Years	Value
1	\$ 1,015.10
2	\$ 2,045.54
3	\$ 3,091.33
4	\$ 4,153.33
5	\$ 5,231.17

- The information in these tables is based on the following assumptions:
1. Deposits are placed in an IRA Share account earning a dividend rate of 1.50% per annum (1.50% annual percentage yield).
  2. Interest is compounded monthly.
  3. Value shown is year-end value, available for withdrawal.
  4. Withdrawal is made on the last day of the year.
  5. Early-withdrawal penalties not applicable.

**VALUE OF \$1,000 ROLLOVER DEPOSITED  
in an IRA SHARE ACCOUNT**

Years	Value
1	\$ 1,015.10
2	\$ 1,030.44
3	\$ 1,046.00
4	\$ 1,061.80
5	\$ 1,077.83

(Assuming no further deposits are made to the account)

Age of Depositor	Value at age 60	Value at age 65	Value at age 70
18	\$ 60,839.42	\$ 70,805.94	\$ 81,548.19
19	\$ 58,934.20	\$ 68,752.43	\$ 79,334.85
20	\$ 57,057.32	\$ 66,729.47	\$ 77,154.44
21	\$ 55,208.38	\$ 64,736.62	\$ 75,006.47
22	\$ 53,386.94	\$ 62,773.41	\$ 72,890.46
23	\$ 51,592.61	\$ 60,839.42	\$ 70,805.94
24	\$ 49,824.97	\$ 58,934.20	\$ 68,752.43
25	\$ 48,083.63	\$ 57,057.32	\$ 66,729.47
26	\$ 46,368.20	\$ 55,208.38	\$ 64,736.62
27	\$ 44,678.30	\$ 53,386.94	\$ 62,773.41
28	\$ 43,013.54	\$ 51,592.61	\$ 60,839.42
29	\$ 41,373.55	\$ 49,824.97	\$ 58,934.20
30	\$ 39,757.96	\$ 48,083.63	\$ 57,057.32
31	\$ 38,166.40	\$ 46,368.20	\$ 55,208.38
32	\$ 36,598.53	\$ 44,678.30	\$ 53,386.94
33	\$ 35,053.99	\$ 43,013.54	\$ 51,592.61
34	\$ 33,532.43	\$ 41,373.55	\$ 49,824.97
35	\$ 32,033.50	\$ 39,757.96	\$ 48,083.63
36	\$ 30,556.88	\$ 38,166.40	\$ 46,368.20
37	\$ 29,102.23	\$ 36,598.53	\$ 44,678.30
38	\$ 27,669.22	\$ 35,053.99	\$ 43,013.54
39	\$ 26,257.54	\$ 33,532.43	\$ 41,373.55
40	\$ 24,866.86	\$ 32,033.50	\$ 39,757.96
41	\$ 23,496.87	\$ 30,556.88	\$ 38,166.40
42	\$ 22,147.26	\$ 29,102.23	\$ 36,598.53
43	\$ 20,817.74	\$ 27,669.22	\$ 35,053.99
44	\$ 19,507.99	\$ 26,257.54	\$ 33,532.43
45	\$ 18,217.74	\$ 24,866.86	\$ 32,033.50
46	\$ 16,946.68	\$ 23,496.87	\$ 30,556.88
47	\$ 15,694.53	\$ 22,147.26	\$ 29,102.23
48	\$ 14,461.01	\$ 20,817.74	\$ 27,669.22
49	\$ 13,245.85	\$ 19,507.99	\$ 26,257.54
50	\$ 12,048.77	\$ 18,217.74	\$ 24,866.86
51	\$ 10,869.50	\$ 16,946.68	\$ 23,496.87
52	\$ 9,707.77	\$ 15,694.53	\$ 22,147.26
53	\$ 8,563.33	\$ 14,461.01	\$ 20,817.74
54	\$ 7,435.92	\$ 13,245.85	\$ 19,507.99
55	\$ 6,325.28	\$ 12,048.77	\$ 18,217.74
56	\$ 5,231.17	\$ 10,869.50	\$ 16,946.68
57	\$ 4,153.33	\$ 9,707.77	\$ 15,694.53
58	\$ 3,091.54	\$ 8,563.33	\$ 14,461.01
59	\$ 2,045.54	\$ 7,435.92	\$ 13,245.85
60	\$ 1,015.10	\$ 6,325.28	\$ 12,048.77
61	n/a	\$ 5,231.17	\$ 10,869.50
62	n/a	\$ 4,153.33	\$ 9,707.77
63	n/a	\$ 3,091.54	\$ 8,563.33
64	n/a	\$ 2,045.54	\$ 7,435.92
65	n/a	\$ 1,015.10	\$ 6,325.28
66	n/a	n/a	\$ 5,231.17
67	n/a	n/a	\$ 4,153.33
68	n/a	n/a	\$ 3,091.54
69	n/a	n/a	\$ 2,045.54
70	n/a	n/a	\$ 1,015.10

Age of Depositor	Value at age 60	Value at age 65	Value at age 70
18	\$ 1,905.22	\$ 2,053.51	\$ 2,213.34
19	\$ 1,876.87	\$ 2,022.96	\$ 2,180.41
20	\$ 1,848.95	\$ 1,992.86	\$ 2,147.97
21	\$ 1,821.44	\$ 1,963.21	\$ 2,116.01
22	\$ 1,794.34	\$ 1,934.00	\$ 2,084.52
23	\$ 1,767.64	\$ 1,905.22	\$ 2,053.51
24	\$ 1,741.34	\$ 1,876.87	\$ 2,022.96
25	\$ 1,715.43	\$ 1,848.95	\$ 1,992.86
26	\$ 1,689.90	\$ 1,821.44	\$ 1,963.21
27	\$ 1,664.76	\$ 1,794.34	\$ 1,934.00
28	\$ 1,639.99	\$ 1,767.64	\$ 1,905.22
29	\$ 1,615.59	\$ 1,741.34	\$ 1,876.87
30	\$ 1,591.55	\$ 1,715.43	\$ 1,848.95
31	\$ 1,567.87	\$ 1,689.90	\$ 1,821.44
32	\$ 1,544.54	\$ 1,664.76	\$ 1,794.34
33	\$ 1,521.56	\$ 1,639.99	\$ 1,767.64
34	\$ 1,498.92	\$ 1,615.59	\$ 1,741.34
35	\$ 1,476.62	\$ 1,591.55	\$ 1,715.43
36	\$ 1,454.65	\$ 1,567.87	\$ 1,689.90
37	\$ 1,433.01	\$ 1,544.54	\$ 1,664.76
38	\$ 1,411.69	\$ 1,521.56	\$ 1,639.99
39	\$ 1,390.68	\$ 1,498.92	\$ 1,615.59
40	\$ 1,369.99	\$ 1,476.62	\$ 1,591.55
41	\$ 1,349.61	\$ 1,454.65	\$ 1,567.87
42	\$ 1,329.53	\$ 1,433.01	\$ 1,544.54
43	\$ 1,309.74	\$ 1,411.69	\$ 1,521.56
44	\$ 1,290.26	\$ 1,390.68	\$ 1,498.92
45	\$ 1,271.06	\$ 1,369.99	\$ 1,476.62
46	\$ 1,252.15	\$ 1,349.61	\$ 1,454.65
47	\$ 1,233.52	\$ 1,329.53	\$ 1,433.01
48	\$ 1,215.16	\$ 1,309.74	\$ 1,411.69
49	\$ 1,197.08	\$ 1,290.26	\$ 1,390.68
50	\$ 1,179.27	\$ 1,271.06	\$ 1,369.99
51	\$ 1,161.73	\$ 1,252.15	\$ 1,349.61
52	\$ 1,144.44	\$ 1,233.52	\$ 1,329.53
53	\$ 1,127.41	\$ 1,215.16	\$ 1,309.74
54	\$ 1,110.64	\$ 1,197.08	\$ 1,290.26
55	\$ 1,094.11	\$ 1,179.27	\$ 1,271.06
56	\$ 1,077.83	\$ 1,161.73	\$ 1,252.15
57	\$ 1,061.80	\$ 1,144.44	\$ 1,233.52
58	\$ 1,046.00	\$ 1,127.41	\$ 1,215.16
59	\$ 1,030.44	\$ 1,110.64	\$ 1,197.08
60	\$ 1,015.10	\$ 1,094.11	\$ 1,179.27
61	n/a	\$ 1,077.83	\$ 1,161.73
62	n/a	\$ 1,061.80	\$ 1,144.44
63	n/a	\$ 1,046.00	\$ 1,127.41
64	n/a	\$ 1,030.44	\$ 1,110.64
65	n/a	\$ 1,015.10	\$ 1,094.11
66	n/a	n/a	\$ 1,077.83
67	n/a	n/a	\$ 1,061.80
68	n/a	n/a	\$ 1,046.00
69	n/a	n/a	\$ 1,030.44
70	n/a	n/a	\$ 1,015.10

**VALUE OF \$1,000 DEPOSITED ANNUALLY  
in an IRA 5-YEAR CERTIFICATE**

Years	Value
1	\$ 1,050.00
2	\$ 2,172.51
3	\$ 3,310.15
4	\$ 4,525.68
5	\$ 5,802.00

**VALUE OF \$1,000 ROLLOVER DEPOSITED  
in an IRA 5-YEAR CERTIFICATE**

Years	Value
1	\$ 1,050.00
2	\$ 1,102.51
3	\$ 1,157.64
4	\$ 1,215.53
5	\$ 1,276.32

The information in these tables is based on the following assumptions:

1. Deposits are placed in an IRA 5-year Certificate earning a dividend rate of 4.88% per annum (5% annual percentage yield).
2. Interest is compounded daily on a 365/365 day basis.
3. Value shown is year-end value, available for withdrawal.

(Assuming no further deposits are made to the account)

Age of Depositor	Value at age 60	Value at age 65	Value at age 70
18	\$ 150,170.81	\$ 197,468.55	\$ 257,835.75
19	\$ 142,018.88	\$ 187,064.05	\$ 244,556.25
20	\$ 134,255.19	\$ 177,155.07	\$ 231,909.19
21	\$ 126,861.25	\$ 167,718.01	\$ 219,864.45
22	\$ 119,819.45	\$ 158,730.39	\$ 208,393.34
23	\$ 113,113.02	\$ 150,170.81	\$ 197,468.55
24	\$ 106,725.98	\$ 142,018.88	\$ 187,064.05
25	\$ 100,643.13	\$ 134,255.19	\$ 177,155.07
26	\$ 94,849.97	\$ 126,861.25	\$ 167,718.01
27	\$ 89,332.72	\$ 119,819.45	\$ 158,730.39
28	\$ 84,078.23	\$ 113,113.02	\$ 150,170.81
29	\$ 79,073.98	\$ 106,725.98	\$ 142,018.88
30	\$ 74,308.06	\$ 100,643.13	\$ 134,255.19
31	\$ 69,769.12	\$ 94,849.97	\$ 126,861.25
32	\$ 65,446.35	\$ 89,332.72	\$ 119,819.45
33	\$ 61,329.45	\$ 84,078.23	\$ 113,113.02
34	\$ 57,408.62	\$ 79,073.98	\$ 106,725.98
35	\$ 53,674.52	\$ 74,308.06	\$ 100,643.13
36	\$ 50,118.26	\$ 69,769.12	\$ 94,849.97
37	\$ 46,731.37	\$ 65,446.35	\$ 89,332.72
38	\$ 43,505.78	\$ 61,329.45	\$ 84,078.23
39	\$ 40,433.81	\$ 57,408.62	\$ 79,073.98
40	\$ 37,508.14	\$ 53,674.52	\$ 74,308.06
41	\$ 34,721.81	\$ 50,118.26	\$ 69,769.12
42	\$ 32,068.18	\$ 46,731.37	\$ 65,446.35
43	\$ 29,540.93	\$ 43,505.78	\$ 61,329.45
44	\$ 27,134.04	\$ 40,433.81	\$ 57,408.62
45	\$ 24,841.78	\$ 37,508.14	\$ 53,674.52
46	\$ 22,658.69	\$ 34,721.81	\$ 50,118.26
47	\$ 20,579.57	\$ 32,068.18	\$ 46,731.37
48	\$ 18,599.47	\$ 29,540.93	\$ 43,505.78
49	\$ 16,713.67	\$ 27,134.04	\$ 40,433.81
50	\$ 14,917.68	\$ 24,841.78	\$ 37,508.14
51	\$ 13,207.23	\$ 22,658.69	\$ 34,721.81
52	\$ 11,578.24	\$ 20,579.57	\$ 32,068.18
53	\$ 10,026.83	\$ 18,599.47	\$ 29,540.93
54	\$ 8,549.30	\$ 16,713.67	\$ 27,134.04
55	\$ 7,142.14	\$ 14,917.68	\$ 24,841.78
56	\$ 5,802.00	\$ 13,207.23	\$ 22,658.69
57	\$ 4,525.68	\$ 11,578.24	\$ 20,579.57
58	\$ 3,310.15	\$ 10,026.83	\$ 18,599.47
59	\$ 2,152.51	\$ 8,549.30	\$ 16,713.67
60	\$ 1,050.00	\$ 7,142.14	\$ 14,917.68
61	n/a	\$ 5,802.00	\$ 13,207.23
62	n/a	\$ 4,525.68	\$ 11,578.24
63	n/a	\$ 3,310.15	\$ 10,026.83
64	n/a	\$ 2,152.51	\$ 8,549.30
65	n/a	\$ 1,050.00	\$ 7,142.14
66	n/a	n/a	\$ 5,802.00
67	n/a	n/a	\$ 4,525.68
68	n/a	n/a	\$ 3,310.15
69	n/a	n/a	\$ 2,152.51
70	n/a	n/a	\$ 1,050.00

Age of Depositor	Value at age 60	Value at age 65	Value at age 70
18	\$8,559.62	\$10,924.85	\$13,279.57
19	\$8,151.97	\$10,404.55	\$12,647.13
20	\$7,763.73	\$9,909.03	\$12,044.80
21	\$7,393.98	\$9,437.11	\$11,471.17
22	\$7,041.84	\$8,987.66	\$10,924.85
23	\$6,706.47	\$8,559.62	\$10,404.55
24	\$6,387.07	\$8,151.97	\$9,909.03
25	\$6,082.88	\$7,763.73	\$9,437.11
26	\$5,793.18	\$7,393.98	\$8,987.66
27	\$5,517.28	\$7,041.84	\$8,559.62
28	\$5,254.52	\$6,706.47	\$8,151.97
29	\$5,004.27	\$6,387.07	\$7,763.73
30	\$4,765.94	\$6,082.88	\$7,393.98
31	\$4,538.96	\$5,793.18	\$7,041.84
32	\$4,322.79	\$5,517.28	\$6,706.47
33	\$4,116.92	\$5,254.52	\$6,387.07
34	\$3,920.85	\$5,004.27	\$6,082.88
35	\$3,734.11	\$4,765.94	\$5,793.18
36	\$3,556.28	\$4,538.96	\$5,517.28
37	\$3,386.91	\$4,322.79	\$5,254.52
38	\$3,225.60	\$4,116.92	\$5,004.27
39	\$3,071.98	\$3,920.85	\$4,765.94
40	\$2,925.68	\$3,734.11	\$4,538.96
41	\$2,786.34	\$3,556.28	\$4,322.79
42	\$2,653.64	\$3,386.91	\$4,116.92
43	\$2,527.26	\$3,225.60	\$3,920.85
44	\$2,406.90	\$3,071.98	\$3,734.11
45	\$2,292.27	\$2,925.68	\$3,556.28
46	\$2,183.10	\$2,786.34	\$3,386.91
47	\$1,980.11	\$2,653.64	\$3,225.60
48	\$1,885.81	\$2,527.26	\$3,071.98
49	\$1,795.99	\$2,406.90	\$2,925.68
50	\$1,710.46	\$2,292.27	\$2,786.34
51	\$1,629.00	\$2,183.10	\$2,653.64
52	\$1,551.42	\$1,980.11	\$2,527.26
53	\$1,477.53	\$1,885.81	\$2,406.90
54	\$1,407.16	\$1,795.99	\$2,292.27
55	\$1,340.14	\$1,710.46	\$2,183.10
56	\$1,276.32	\$1,629.00	\$2,079.13
57	\$1,215.53	\$1,551.42	\$1,980.11
58	\$1,157.64	\$1,477.53	\$1,885.81
59	\$1,102.51	\$1,407.16	\$1,795.99
60	\$1,050.00	\$1,340.14	\$1,710.46
61	n/a	\$1,276.32	\$1,629.00
62	n/a	\$1,215.53	\$1,551.42
63	n/a	\$1,157.64	\$1,477.53
64	n/a	\$1,102.51	\$1,407.16
65	n/a	\$1,050.00	\$1,340.14
66	n/a	n/a	\$1,276.32
67	n/a	n/a	\$1,215.53
68	n/a	n/a	\$1,157.64
69	n/a	n/a	\$1,102.51
70	n/a	n/a	\$1,050.00