

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101



## STEP 1. OPEN YOUR ACCOUNT

### Account Checklist

To ensure your account is established in a timely manner, verify that the following items have been completed:

- |   |   |
|---|---|
| <input type="checkbox"/> 1. Account Application                       | <input type="checkbox"/> 2. Form 5305-SEP                         |
| <input type="checkbox"/> 3. SEP IRA Fee Schedule                      | <input type="checkbox"/> 4. Client Responsibility Form            |
| <input type="checkbox"/> 5. Valid Government-Issued Photo ID Attached | <input type="checkbox"/> 6. Review Account Disclosure Information |

### Submit Your Application

Verify all completed information and submit your application to Horizon Trust Company.

**Via Mail:**

**Horizon Trust Correspondence**  
PO BOX 27068  
Newark NJ 07101

**Via Fax:**

(505) 212 - 0494

**Via Email:**

[newaccounts@horizontrust.com](mailto:newaccounts@horizontrust.com)



## STEP 2. FUND YOUR ACCOUNT

Once your account has been successfully established, fund your account through one or more options:

- New Contribution**  
*(From Self or Spousal Contribution)*
- IRA-to-IRA Transfer**  
*(Direct movement of assets from a Traditional IRA, SEP IRA, or SIMPLE IRA into this SEP IRA)*
- Eligible Rollover**  
*(Distribution from a Traditional IRA, SEP IRA, SIMPLE IRA or Employer-Sponsored Plan deposited into this SEP IRA)*



## STEP 3. DIRECT YOUR INVESTMENT

After your account has been funded, contact Horizon Trust to discuss your Direction of Investment - We'll work with you to ensure all necessary documents are completed to process your asset purchase.

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**For Internal Use Only:**  Agent Pays Fees  
Tracking Code: \_\_\_\_\_ Referral Code: \_\_\_\_\_

## PART 1. IRA OWNER

Title: First Name: M.I.: Last Name: Suffix:

Legal Address: Apt/Unit/Ste: City: State: Zip:

Mailing Address: (If different than above) Apt/Unit/Ste: City: State: Zip:

Social Security Number: (###-##-####) Date of Birth: (MM/DD/YYYY) Email Address:

Primary Phone: Type: Alt Phone: Type:

## PART 2. ACCOUNT SETUP INFORMATION

I have reviewed the HTC Fee Schedule.

### Account Setup Options

1. Please select an Account Activation Option<sup>1</sup>:

- Standard
- Standard w/ Express Open
- Checkbook LLC Standard
- Checkbook LLC Expedited

<sup>1</sup>If no election is made, "Standard" Activation will be selected by default.

### Fee Payment Options

1. Choose a method of payment for Account Setup Fees:

- Deduct from Account
- Check Enclosed
- Charge Credit Card  
(Complete Credit Card Payment Method Section)

2. Choose a method of of payment for subsequent Annual and Transactional Fees

- Deduct from Account
- Charge Credit Card  
(Complete Credit Card Payment Method Section)

All accounts require a credit card on file as a secondary payment option to establish a new account. The credit card on file will not be charged unless indicated as the choice payment option or if the account does not have enough available cash for incurred fees.

## Account Personal Identification Number

Please enter a 4-Digit PIN:



The undersigned agrees to be bound by the terms and conditions of this PIN request form and the Horizon Trust Custodial Agreement and Disclosure Statement. The undersigned agrees to keep the requested PIN confidential.

## Credit Card Payment Method

I have read and understand the Self-Directed IRA Account Agreement regarding the credit card charge(s) and I authorize the credit card payment by Horizon Trust Company for fees to establish and/or maintain this IRA. Not limited to, but including Activation Fee, Annual Fee, and any special service fee or transactional fees to keep my account in good standing.

Select a Credit Card Type:

Visa  Mastercard  American Express  Discover

Cardholder Name:

Card Number:

Expiration Date: (MM/YY)

Security Code:

Billing Address:

Apt/Unit/Ste:

City:

State:

Zip:

## PART 3. ACCOUNT FUNDING INFORMATION

Please select all that apply. (Horizon Trust Company reserves the right to review all asset transfer/rollovers prior to accepting assets.)

### SEP IRA Funding Classification

One-Time Employer Contribution

Tax Year:

Amount:

Monthly Employer Contributions (Current Tax Year Only)

Monthly Amount:

Transfer (Direct movement of assets from a Traditional IRA, SEP IRA, or SIMPLE IRA; Transfer Form Required)

Amount:

Rollover (60-day IRA distribution from a Traditional IRA/SEP IRA/SIMPLE IRA/Qualified plan; Rollover Cert. Required)

Amount:

By selecting this option, I irrevocably designate this contribution as a Rollover.

### If you are 72 or older this year, complete the following: (If Applicable)

(Checking any of the options below will adjust your Required Minimum Distribution.)

This is a rollover or transfer of assets removed last year. Please complete the information below.

Date of Removal:

This is a transfer from my deceased spouse's Traditional IRA. Assets were removed from the IRA in any year after death.

Value as of Dec 31<sup>st</sup> of last year:

This is a recharacterization of a conversion or taxable retirement plan rollover to a Roth IRA made last year.

## Funding & Check Titling

Because your account is considered to be the legal owner of your investments, all assets and documents must reflect this ownership. Failure to title assets correctly may cause delays and/or tax consequences. The correct titling should be as follows:

“Horizon Trust FBO: (Your Name) (Account Type)”

Example: Horizon Trust FBO: Jane Doe Roth IRA

## PART 4. BENEFICIARY DESIGNATION

I designate that upon my death, the assets in this account be paid to the beneficiaries named below. The interest of any beneficiary that predeceases me terminates completely, and the percentage share of any remaining beneficiaries will be increased on a pro rata basis. If no beneficiaries are named, my estate will be my beneficiary. The total beneficiary share percentage designated MUST equal 100%. Treasury Reg 1.401(a)(9) defines an eligible trust as beneficiary as irrevocable or a revocable trust that it becomes reclassified as irrevocable upon death. If a revocable trust is listed as either a primary or contingent beneficiary, the account owner is responsible to ensure it meets the IRA requirements.

I elect not to designate beneficiaries at this time and understand that I may designate beneficiaries at a later date.

**Beneficiary 1.**       Primary Beneficiary       Contingent Beneficiary

Title:      First Name:      M.I.:      Last Name:      Suffix:      Share %:  
                             

Address:      Apt/Unit/Ste:      City:      State:      Zip:  
                       

SSN or EIN:      Date of Birth: (MM/DD/YYYY)      Relationship:  
           

**Beneficiary 2.**       Primary Beneficiary       Contingent Beneficiary

Title:      First Name:      M.I.:      Last Name:      Suffix:      Share %:  
                             

Address:      Apt/Unit/Ste:      City:      State:      Zip:  
                       

SSN or EIN:      Date of Birth: (MM/DD/YYYY)      Relationship:  
           

**Beneficiary 3.**       Primary Beneficiary       Contingent Beneficiary

Title:      First Name:      M.I.:      Last Name:      Suffix:      Share %:  
                             

Address:      Apt/Unit/Ste:      City:      State:      Zip:  
                       

SSN or EIN:      Date of Birth: (MM/DD/YYYY)      Relationship:  
           

Check here if additional beneficiaries are listed on an attached addendum. Total number of addendums attached: \_\_\_\_\_

## PART 5. SPOUSAL CONSENT

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Spousal consent should be considered if either the trust or the residence of the IRA owner is located in a community or marital property state. (*Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin*)

### Current Marital Status

- I Am Not Married  I understand that if I become married in the future, I should review the requirements for spousal consent.
- I Am Married  I understand that if I choose to designate a primary beneficiary other than, or in addition to, my spouse should sign below.

### Consent of Spouse

I am the spouse of the above-named IRA owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this IRA, I have been advised to see a tax professional.

I hereby give the IRA owner my interest in the assets or property deposited in this IRA and consent to the Beneficiary Designation indicated above. I assume full responsibility for any adverse consequences that may result.

Signature of Spouse:

Spouse Name: (*Print or Type*)

Date: (*MM/DD/YYYY*)

## PART 6. ACCOUNT OWNER AUTHORIZATION

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**Important: Please read before signing.**

I understand the eligibility requirements for the type of IRA deposit I am making, and I state that I do qualify to make the deposit. I have received a copy of the SEP IRA Account Application, Custodial Agreement, and Disclosure Statement. I understand that the terms and conditions that apply to this IRA are contained in this Application and the Custodial Account Agreement. I agree to be bound by those terms and conditions. Within seven (7) days from the date I open this IRA, I may revoke it without penalty by mailing or delivering a written notice to the custodian.

I assume complete responsibility for 1) Determining that I am eligible for an IRA each year I make a contribution, 2) Ensuring that all contributions I make are within the limits set forth by the tax laws, and 3) The tax consequences of any contributions (including rollover contributions) and distributions.

Signature of IRA Owner:

IRA Owner Name: (*Print or Type*)

Date: (*MM/DD/YYYY*)

## PART 7. IRA CUSTODIAN INFORMATION

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**Horizon Trust Correspondence**  
PO BOX 27068  
Newark NJ 07101

**Phone:** (888) 205 - 6036  
**Fax:** (505) 212 - 0494

**Email:** [operations@horizontrust.com](mailto:operations@horizontrust.com)  
**Website:** [www.horizontrust.com](http://www.horizontrust.com)

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## PART 1. EMPLOYER INFORMATION

The employer listed below makes the following agreement under section 408(k) of the Internal Revenue Code and the instructions to this form.

Name of Employer:

## PART 2. ELIGIBILITY REQUIREMENTS

The employer listed agrees to provide discretionary contributions in each calendar year to the individual retirement account (IRA) based on the following eligibility requirements:

This SEP IRA will include all employees who are at least age (not to exceed 21 years old):

Individuals of this SEP IRA will have performed services for the employer in at least

years (not to exceed 3), of the immediately preceding 5 years.

Does this SEP IRA include employees covered under a collective bargaining agreement?

No

Yes

Does this SEP IRA include Certain nonresident aliens?

No

Yes

Does this SEP IRA include employees whose total compensation for the year is less than \$600\*

No

Yes

## PART 3. SEP REQUIREMENTS

The employer agrees that contributions made on behalf of each eligible employee will be:

A. Based only on the first \$285,000 in compensation.

B. The same percentage of compensation for every employee.

C. Limited annually to the smaller of \$57,000\* or 25% of compensation.

D. Paid to the employee's IRA trustee, custodian, or insurance company (for an annuity contract).

## PART 4. EMPLOYER AUTHORIZATION & AGREEMENT

I understand the eligibility requirements for the type of SEP IRA deposit I am making, and I state that I do qualify to make the deposit. I understand that the terms and conditions that apply to this SEP IRA are contained in this Application, Custodial Agreement, and Disclosure Statement. I agree to be bound by those terms and conditions.

Signature of Employer:

Employer Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*

\*Amounts listed are for 2020. For later years, the limit may be increased for cost-of-living adjustments. The IRS announces the increase, if any, in a news release, in the Internal Revenue Bulletin, and at [www.irs.gov](http://www.irs.gov).

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

#### Purpose of Form

Form 5305-SEP (Model SEP) is used by an employer to make an agreement to provide benefits to all eligible employees under a simplified employee pension (SEP) described in section 408(k).

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

For more information on SEPs and IRAs, see Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans), and Pub. 590, Individual Retirement Arrangements (IRAs).

### Instructions to the Employer

**Simplified employee pension.** A SEP is a written arrangement (a plan) that provides you with an easy way to make contributions toward your employees' retirement income.

Under a SEP, you can contribute to an employee's traditional individual retirement account or annuity (traditional IRA). You make contributions directly to an IRA set up by or for each employee with a bank, insurance company, or other qualified financial institution. When using Form 5305-SEP to establish a SEP, the IRA must be a Model traditional IRA established on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter. You may not make SEP contributions to a Roth IRA or a SIMPLE IRA. Making the agreement on Form 5305-SEP does not establish an employer IRA described in section 408(c).

**When not to use Form 5305-SEP.** Do not use this form if you:

1. Currently maintain any other qualified retirement plan. This does not prevent you from maintaining another SEP.
2. Have any eligible employees for whom IRAs have not been established.
3. Use the services of leased employees (described in section 414(n)).
4. Are a member of an affiliated service group (described in section 414(m)), a controlled group of corporations (described in section 414(b)), or trades or businesses under common control (described in sections 414(c) and 414(o)), unless all eligible employees of all the members of such groups, trades, or businesses participate in the SEP.
5. Will not pay the cost of the SEP contributions. Do not use Form 5305-SEP for a SEP that provides for elective employee contributions even if the contributions are made under a salary reduction agreement. Use Form 5305A-SEP, or a nonmodel SEP.

**Note.** SEPs permitting elective deferrals cannot be established after 1996.

**Eligible employees.** All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years. You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service is any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

**Excludable employees.** The following employees do not have to be covered by the SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than \$600 in compensation during the year.

**Contribution limits.** You may make an annual contribution of up to 25% of the employee's compensation or \$57,000\*, whichever is less. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$285,000\*. If you also maintain a salary reduction SEP, contributions to the two SEPs together may not exceed the smaller of \$57,000\* or 25% of compensation for any employee.

You are not required to make contributions every year, but when you do, you must contribute to the SEP-IRAs of all eligible employees who actually performed services during the year of the contribution. This includes eligible employees who die or quit working before the contribution is made.

Contributions cannot discriminate in favor of highly compensated employees. Also, you may not integrate your SEP contributions with, or offset them by, contributions made under the Federal Insurance Contributions Act (FICA).

If this SEP is intended to meet the top-heavy minimum contribution rules of section 416, but it does not cover all your employees who participate in your salary reduction SEP, then you must make minimum contributions to IRAs established on behalf of those employees.

**Deducting contributions.** You may deduct contributions to a SEP subject to the limits of section 404(h). This SEP is maintained on a calendar year basis and contributions to the SEP are deductible for your tax year with or within which the calendar year ends.

Contributions made for a particular tax year must be made by the due date of your income tax return (including extensions) for that tax year.

**Completing the agreement.** This agreement is considered adopted when:

- IRAs have been established for all your eligible employees;
- You have completed all blanks on the agreement form without modification; and
- You have given all your eligible employees the following information:
  1. A copy of Form 5305-SEP.
  2. A statement that traditional IRAs other than the traditional IRAs into which employer SEP contributions will be made may provide different rates of return and different terms concerning, among other things, transfers and withdrawals of funds from the IRAs.
  3. A statement that, in addition to the information provided to an employee at the time the employee becomes eligible to participate, the administrator of the SEP must furnish each participant within 30 days of the effective date of any amendment to the SEP, a copy of the amendment and a written explanation of its effects.
  4. A statement that the administrator will give written notification to each participant of any employer contributions made under the SEP to that participant's IRA by the later of January 31 of the year following the year for which a contribution is made or 30 days after the contribution is made.

Employers who have established a SEP using Form 5305-SEP and have furnished each eligible employee with a copy of the completed Form 5305-SEP and provided the other documents and disclosures described in Instructions to the Employer and Information for the Employee, are not required to file the annual information returns, Forms 5500 or 5500-EZ for the SEP. However, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), this relief from the annual adverse tax consequences for the reporting requirements may not be available to an employer who selects, recommends, or influences its employees to choose IRAs into which contributions will be made under the SEP, if those IRAs are subject to provisions that impose any limits on a participant's ability to withdraw funds (other than restrictions imposed by the Code that apply to all IRAs). For additional information on Title I requirements, see the Department of Labor regulation at 29 CFR 2520.104-48.

## Information for the Employee

The information below explains what a SEP is, how contributions are made, and how to treat your employer's contributions for tax purposes. For more information, see Pub. 590.

**Simplified employee pension.** A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (traditional IRA). Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

An employer is not required to make SEP contributions. If a contribution is made, however, it must be allocated to all eligible employees according to the SEP agreement. The Model SEP (Form 5305-SEP) specifies that the contribution

for each eligible employee will be the same percentage of compensation (excluding compensation greater than \$285,000\*) for all employees.

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA. Your employer must also provide you with a copy of the completed Form 5305-SEP and a yearly statement showing any contributions to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

**Contribution limits.** Your employer will determine the amount to be contributed to your IRA each year. However, the amount for any year is limited to the smaller of \$57,000\* or 25% of your compensation for that year. Compensation does not include any amount that is contributed by your employer to your IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions.

**Tax treatment of contributions.** Employer contributions to your SEP-IRA are excluded from your income unless there are contributions in excess of the applicable limit. Employer contributions within these limits will not be included on your Form W-2.

**Employee contributions.** You may make regular IRA contributions to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan.

**SEP participation.** If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer tries to establish a SEP for the remaining employees, it could occur before you reach age 59½, you may be subject to a tax on early withdrawal.

An employer may not adopt this IRS Model SEP if the employer maintains another qualified retirement plan. This does not prevent your employer from adopting this IRS Model SEP and also maintaining an IRS Model Salary Reduction SEP or other SEP. However, if you work for several employers, you may be covered by a SEP of one employer and a different SEP or pension or profit-sharing plan of another employer.

**SEP-IRA amounts rollover or transfer to another IRA.** You can withdraw or receive funds from your SEP-IRA if, within 60 days of receipt, you place those funds in the same or another IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

**Withdrawals.** You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals occur before you reach age 59½, you may be subject to a tax on early withdrawal.

**Excess SEP contributions.** Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions

left in your SEP-IRA after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

**Financial institution requirements.** The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.
2. The tax consequences of various options concerning your IRA.
3. Participation eligibility rules, and rules on the deductibility of retirement savings.
4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. This information must be clearly displayed at the beginning of the disclosure statement.
5. A discussion of the penalties that may be assessed because of prohibited activities concerning your IRA.
6. Financial disclosure that provides the following information:
  - a. Projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of determining annual earnings and charges that may be assessed.
  - b. Describes whether, and for when, the growth projections are guaranteed, or a statement of the earnings rate and the terms on which the projections are based.
  - c. States the sales commission for each year expressed as a percentage of \$1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance.

**Paperwork Reduction Act Notice.** You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b>	1 hr., 40 min.
<b>Learning about the law or the form</b>	1 hr., 35 min.
<b>Preparing the form</b>	1 hr., 41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, keep it with your records.



# FEE SCHEDULE

## Self-Directed Retirement Accounts

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

### TRADITIONAL, ROTH, SEP, SIMPLE

#### Service Fees

Setup Fee and Year 1 Annual Fee	\$2,995
Annually After Year 1 <sup>1</sup>	Multiplier
\$0 - \$40,000	\$395
\$40,001 - \$80,000	0.0100
\$80,001 - \$150,000	0.0060
\$150,000 - \$250,000	0.0040
\$250,000 - \$1,000,000+	0.0030

### SPECIALTY ACCOUNTS

Service Fees	CESA	HSA	Precious Metals
Activation Fee	\$250	\$250	\$250
Annual Fee	\$395	\$395	\$395

### SERVICES & OPTIONAL FEES

Express Account Open <sup>2</sup> (Recommended) .....	\$50	Returned Check Fee .....	\$30 each
Overnight Mail Fee .....	\$50	Late Fee .....	\$25 per 30 days
Form 1099-R .....	\$100	Termination Fee .....	\$500
Stop Payment .....	\$30 each		

Fees are subject to change with 30 days written notice. <sup>1</sup>The annual fee is calculated by multiplying the account value by the multiplier. The annual fee is billed in the anniversary month each year. <sup>2</sup>Express Account Open is same day processing when establishing a new account. All Horizon Trust accounts require a credit card on file as a secondary payment option to establish an account. The credit card on file will not be charged unless indicated as the choice payment option, or if the account does not have enough available cash for incurred fees.

Signature of Account Owner:

Account Owner Name: (Print or Type)

Date: (MM/DD/YYYY)

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**Important:** This form contains important disclosures about your duties and responsibilities with regard to opening a Self-Directed Individual Retirement Account with Horizon Trust Company, as your custodian. You are responsible for the investment of all assets within your account. These investments may involve a high-degree of risk. Horizon Trust Company will make no investigation or conduct due diligence reviews as to the viability or safety of the investments that you select. You should seek the advice of legal counsel and other professional advisors with respect to your investments. **Read this entire form carefully before you complete and sign it. By signing this form you consent to all terms and provisions shown on all pages.**

## PART 1. IRA OWNER INFORMATION

Title:	First Name:	M.I.:	Last Name:	Suffix:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Social Security Number: (###-##-####)	Phone:	Email Address:		
<input type="text"/>	<input type="text"/>	<input type="text"/>		

## PART 2. DISCLOSURE & ACKNOWLEDGMENT

By this document and a Traditional/Roth/SIMPLE/SEP/CESA/HSA/Individual 401K plan agreement, I am naming Horizon Trust Company custodian for my Self Directed IRA. In directing this action, I hereby make the following certifications in accordance with my Horizon Trust Company custodial account agreement:

1. I understand the requirements put forth by the IRS to establish an IRA and certify that I am eligible to establish a Traditional/Roth/SIMPLE/SEP/CESA/HSA/Individual 401K account. Furthermore, I understand that it is not the responsibility of Horizon Trust Company to advise me as to the deductibility or non-deductibility of any contributions to my account. The reporting of my contributions and how they are handled are completely up to me.
2. I understand that my Account is self-directed. This means that I am responsible for the selection, management, and retention of all investments held within my Account. I understand that Horizon Trust Company is in no way responsible for providing investment advice or recommendations, and that Horizon Trust Company is not a "fiduciary" for my Account as such term is defined in the Internal Revenue Code ("IRC"), ERISA, Financial Institutions Division of the State of New Mexico, Blacks Legal Dictionary or any other applicable federal, state or local laws.
3. I understand that it is my sole responsibility to manage the investment held within my Account, and that Horizon Trust Company has no responsibility to question any investment directions given by me or my Designated Representative, (if I have appointed one), regardless of the nature of the investment. I understand that Horizon Trust Company is in no way responsible for monitoring the performance of the investment held within my Account. I understand that Horizon Trust Company will not conduct a due diligence review of any investment, nor will Horizon Trust Company make any investigations with regard to any investment, any issuer or sponsor of any investment, or any officer, director, or other person or entity involved or affiliated with my investments. I understand that Horizon Trust Company will not review the prudence, viability or merits of any of my investments.

4. I understand that, if my Designated Representative or any other financial representative suggested that I retain Horizon Trust Company's services as custodian for investments made through my Account, such person is not in any way an agent, employee, representative, or affiliate of Horizon Trust Company. I acknowledge that Horizon Trust Company is not responsible for and is not bound by any representations, warranties, statements or agreements made by my Designated Representative or any financial representative beyond the terms and provisions contained in my Horizon Trust Company Custodial Account Agreement and other Horizon Trust Company forms and/or documents. I further understand that Horizon Trust Company has not made and will not make any recommendation or investigation with respect to my Designated Representative or any financial representative, nor does Horizon Trust Company compensate my Designated Representative or financial representative in any manner.
5. I understand that Horizon Trust Company does not make any determination as to whether an investment is acceptable under ERISA, the IRC, or any other applicable federal, state or local laws, including securities laws. I acknowledge that it is my responsibility to review any investments to ensure compliance with the above requirements and to avoid the occurrence of any prohibited transactions in my Account arising out of my investments. I understand that I should have all investments reviewed by my attorney and/or tax advisor prior to directing Horizon Trust Company to process any transaction on behalf of my account.
6. I understand that certain transactions are prohibited for tax-exempt retirement arrangements under IRC Section 4975. I further understand that the determination of whether the transactions directed by me within my account are prohibited transactions depends on the facts and circumstances that surround each transaction, and I understand that Horizon Trust Company makes no determination as to whether any transaction directed by me is a prohibited transaction. I understand that it is solely my responsibility to consult with advisors as I deem necessary and appropriate, and that I will warrant to Horizon Trust Company that the investments directed by me are not prohibited transactions as defined in IRC Section 4975. I understand that I may not invest with a "disqualified person" as defined in IRC Section 4975 or a "party in interest" as defined in IRC Section 4975. I understand that should my Account engage in a prohibited transaction, a taxable distribution equal to the fair market value on my Account will result and certain penalties may be incurred. I further understand that if such a deemed distribution takes place prior to my attaining 59 1/2, an additional premature distribution excise tax may be imposed.
7. I understand that I cannot make investments without having the liquid funds in my Account. In addition, if any investment contains provisions for future contractual payments or assessments, including margin calls, I acknowledge that such payments or assessments shall be borne solely by my Account to the extent such payment is authorized by me or my Designated Representative, and may reduce or exhaust the value of my Account. I further agree to indemnify Horizon Trust Company for any and all payments or assessments which may result from holding the investment within my Account, and I understand that Horizon Trust Company shall be under no obligation whatsoever to extend credit to my Account or otherwise disburse payment beyond the cash balance of my Account for any payment or assessment related to the investment.
8. I understand that if the investment contains any administrative requirements or duties beyond Horizon Trust Company's normal and customary services, then I agree to seek out suitable agents or counsel necessary to perform such duties and deliver written service agreements acceptable to Horizon Trust Company for execution on behalf of my account.
9. I understand that Horizon Trust Company has no responsibility or duty to notify me or to forward to me any notices, proxies, assessments or other documents received by Horizon Trust Company on behalf of my investments, unless I, or my Designated Representative, request each such document in writing.
10. I agree to furnish payment instructions to Horizon Trust Company regarding any invoice, assessment, fee or any other disbursement notification received by Horizon Trust Company on behalf of my investments, and I understand that Horizon Trust Company has no duty or responsibility to disburse any payment until such instructions are received from me, or my Designated Representative.
11. If I direct Horizon Trust Company to purchase a debt instrument as an investment, I agree to enter into an escrow servicing agreement with a third-party Agent on a form acceptable to Horizon Trust Company or to be my own agent in order to administer the terms of the note on behalf of my account. I understand that should I choose a third-party Agent it is still my responsibility to monitor the timeliness of payments and collection of payments. If I elect to renew or re-negotiate the terms of my instrument, I agree to notify the third-party agent and Horizon Trust Company as custodian of my account.
12. If any of the investments I purchase for my account are limited partnerships or limited liability companies, I understand that such investments may generate Unrelated Business Taxable Income, or "UBTI". I further understand that, if the UBTI attributable to my Account exceeds \$1,000 for any taxable year, an IRS Form 990-T tax form must be filed along with the appropriate amount of tax, payable from the assets of my account. I understand that Horizon Trust Company does not monitor the amount of UBTI in my Account and does not prepare Form 990-T. If the tax is applicable, I agree to prepare, or cause to have prepared, the proper 990-T tax form and forward it to Horizon Trust Company, along with authorization to pay the tax from my Account. If I am required to File IRS Form 990-T with regard to any UBTI, I understand that I must utilize an Employer Identification Number ("EIN"). I will not use Horizon Trust Company's EIN or my own social security number. I understand that I must apply for my own EIN prior to or in conjunction with requesting Horizon Trust Company to pay any taxes I may owe with regard to any UBTI that might be incurred.

13. I understand that Horizon Trust Company has no duty or responsibility to monitor the performance of my Investments or actions of the sponsor, nor to monitor the sufficiency or adequacy of my actions or duties or those of my heirs, successors, agents or assigns, and Horizon Trust Company will not be required to monitor the acts of any paid consultant to whom Horizon Trust Company may have contractually delegated any duties or responsibilities pursuant to my directions or the directions of my Designated Representative.
14. I understand that Horizon Trust Company must have an annual market value or good faith estimate (via an independent appraisal) of the value for all investments in my account and that it is my responsibility to provide such market value or good faith estimate. I further understand and acknowledge that if Horizon Trust Company has not been provided with an annual market value or good faith estimate, Horizon Trust may distribute that Investment in-kind to me at either the original acquisition cost or the last known value.
15. I agree to be responsible for any and all collection actions, including contracting with a collection agency or instituting legal action, and bringing any other suits or actions which may become necessary to protect the rights of my Account as a result of the operation or administration of my investments. I understand that any legal filings made on behalf of my investments are to be made in the name of "Horizon Trust Company Custodian for the Self-Directed IRA of (my Name)." I agree that I shall not institute legal action on behalf of my investments without Horizon Trust Company's written consent to litigate and that I shall prosecute any legal action at my own expense, including payment of attorney's fees and court costs. I agree that any such legal action will be carried out in a manner that does not cause Horizon Trust Company to incur any costs or legal exposure. I hereby agree to indemnify Horizon Trust Company for any loss, cost or expense, including attorney's fees that it may incur in any collection activity or legal proceeding.
16. I understand that should I choose to invest in precious metals it is my responsibility to perform adequate due diligence on the broker I choose to invest with and that the investment I make is an acceptable investment according to IRC 4975. Precious metal accounts are subject to additional fees due to storage costs.
17. I understand that Horizon Trust Company reserves the right to liquidate any and/or all investments in my account in order to satisfy any outstanding fees owed to Horizon and that Horizon may also at their discretion distribute my account to me due to non-payment of fees. The account will be distributed at the FMV as reflected on my latest Horizon account statement and I may have a tax liability because of this distribution, however, I agree to hold Horizon Trust Company harmless of said liability.
18. I understand that all investments held within my Account are not guaranteed by Horizon Trust Company and that my investments may lose value.

### PART 3. PROHIBITED TRANSACTIONS SUMMARY

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Below is a summary of the Internal Revenue Code Section 4975 and IRS publication 590 regarding IRA prohibited transactions and disqualified persons. This is a summary and not a comprehensive reproduction of both the Code and the publication. Before making an IRA investment, you should consult a tax professional to be certain you are not entering into a prohibited transaction which could disqualify your entire IRA.

*General Statement: A prohibited transaction is any improper use of your IRA by you, your beneficiary, or any disqualified person.*

Section 4975 (c) prohibited transactions include but are not limited to any direct or indirect:

- a. sale or exchange, or leasing, of any property between a plan and a disqualified person;
- b. lending of money or other extension of credit between a plan and a disqualified person;
- c. furnishing of goods, services, or facilities between a plan and a disqualified person;
- d. transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a plan.

*Disqualified person: your fiduciary, any members of your family including spouse, ancestor, lineal descendant, and any spouse of a lineal descendant.*

*Remember that your Horizon Trust Company IRA is fully self-directed. **You are responsible for the selection, management, and retention time of your investment.** Horizon Trust Company will accept a direction of investment from you for any asset not specifically prohibited by the IRS. If you have any questions regarding any transaction in your IRA, seek help from a tax professional before instructing Horizon Trust Company.*

## PART 4. ARBITRATION AGREEMENT

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In the event a claim or dispute of any kind or nature arises between the Depositor and Custodian, including the scope of this arbitration clause, it shall be resolved by arbitration conducted in Albuquerque, New Mexico, as follows:

- a. either party may submit the matter to arbitration by serving a complaint on the other party that sets forth the nature of the claim. Service may be made by certified mail to the designee. The parties shall mutually select an arbitrator who shall be a retired judge or an attorney licensed to practice law in the state of New Mexico, and shall have not less than ten years of experience in servicing as arbitrator or judge in disputes or litigation concerning the subject matter of the dispute.
- b. the arbitrator shall conduct an evidentiary hearing and issue a final award within 180 days of his or her appointment. The arbitrator shall be bound to follow and apply the substantive law of the state of New Mexico, and the procedural and evidentiary rules of the state of New Mexico in effect at the time of any arbitration proceeding hereunder.
- c. the arbitrator shall award reasonable attorney's fees and costs of arbitration to the prevailing party.
- d. If the parties cannot agree upon the appointment of an arbitrator, either party may file a petition in the Second Judicial District Court to appoint an arbitrator.

## PART 5. ACCOUNT OWNER AUTHORIZATION

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I acknowledge that I have sole responsibility for directing the investments of my Account. I understand that Horizon Trust Company may perform administrative review on any of my investments to determine if the investments are feasible for Horizon Trust Company to maintain appropriate records as to each investment. I acknowledge, however, that Horizon Trust Company will not perform a due diligence review, and will not undertake any investigation as to the prudence, viability, merits, or suitability of any investment in my Account. I agree to hold Horizon Trust Company harmless from any liability for any loss, damage, injury, or expense which may occur as a result of the execution of my direction of investment.

**By signing below I acknowledge that I have read and understand this Client Responsibility Form and specifically acknowledge that I have read and understand Part 3. Prohibited Transactions Summary on page three (3) of this document.**

Signature of IRA Owner:

IRA Owner Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*



# LIMITED ACCOUNT ACCESS Authorization Request

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com  
Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

Complete this form to grant limited account access to an individual who is not an account owner.  
Account owners already have account access authority.

## PART 1. ACCOUNT OWNER INFORMATION

First Name:	M.I.:	Last Name:	Account #:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Last 4 SSN Digits:	Date of Birth: (MM/DD/YYYY)	Email Address:	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

## PART 2. ADDITIONAL AUTHORIZED INDIVIDUAL INFORMATION

I hereby authorize the below named individual to have the limited access authority indicated until such time as I should notify Horizon Trust Company to remove such account access.

### Authorized Individual Information (Authorized Individual cannot be a minor.)

Full Name:	Email:	Phone:		
<input type="text"/>	<input type="text"/>	<input type="text"/>		
Address:	Apt/Unit/Ste:	City:	State:	Zip:
<input type="text"/>				

### Access Option Authorization

Please select all information access options that apply.

- Full access to all account information including statements.  Access to pending Transfer/Rollover information only.
- Web Access for my account only.  Access to account balance information only.
- Access to information on the following specific asset(s) or company:

### Pre-Existing Individual Authorization

- Keep all previously listed Authorized Individuals.  Remove all previously listed Authorized Individuals.
- Remove only the following Authorized Individual:

## PART 3. AGREEMENT & AUTHORIZATION

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### Authorized Individual Agreement

By signing below, you:

- Acknowledge that you have received a copy of this Limited Account Access form, and you state that you have read it, you understand it, and you accept all of its terms and conditions.
- Indemnify and hold harmless Horizon Trust Company and any and all agents or employees with respect to this Limited Account Access Authorization form.
- Agree to be bound by the current and future terms of all agreements, and by any applicable disclosures, between the account owner(s) and Horizon Trust Company.
- Certify that all information you provided is correct to the best of your knowledge.
- Acknowledge that we may refuse to approve you as authorized agent, or may remove you as authorized agent from this or any other account, at any time and for any reason.
- Agree to act in compliance with all applicable laws and regulations.

Signature of Authorized Individual:

Authorized Individual Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*

### Account Owner Agreement

By signing below, you:

- Acknowledge that you have received a copy of this Limited Account Access form, and you state that you have read it, you understand it, and you accept all its terms and conditions.
- Authorize Horizon Trust Company to act on all instructions given on this form.
- Designate the individual identified in this form as an Authorized Individual, granting that individual the ability to obtain account information at the level of access authority indicated.
- Certify that all information you provided is correct to the best of your knowledge.

Signature of Account Owner:

Account Owner Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*

(888) 205 - 6036  
  (505) 212 - 0494  
  operations@horizontrust.com  
 Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

### PART 1. PARTICIPANT INFORMATION (Do not use this form for conversions to a Roth IRA)

Type of IRA Transfer:

Traditional IRA to Traditional IRA  
  SEP IRA to Traditional IRA  
  SEP IRA to SEP IRA  
 Roth IRA to Roth IRA  
  SIMPLE IRA, 1<sup>st</sup> Year of Participation:   
  Other:

Resigning Custodian Name:  Phone:

Address:  City:  State:  Zip:

Participant Name:  Social Security Number: (###-##-####)  Account #:

Can this IRA Transfer Request be faxed?  
 No  
 Yes, fax to:

### PART 2. DISTRIBUTION REASON

I hereby direct the resigning custodian listed above to execute the following transfer option(s) indicated below.

**Option A: Complete Transfer**

Liquidate all assets and transfer cash balance ..... Est. Cash Amount:   
 Transfer all assets in-kind and entire cash balance ..... Est. Cash Amount:

**Option B: Partial Transfer**

Cash balance to be transferred ..... Amount:

Transfer the following Asset(s):

Asset Description:	Quantity to Transfer:	Liquidate Immediately	Transfer In-Kind
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>

### PART 3. DELIVERY INSTRUCTIONS

**Via Regular Mail**

Horizon Trust Deposits  
PO BOX 27067  
Newark NJ 07101

**Via Overnight Mail**

CMS Image Remit  
Attention: PO Box 27067  
205 North Center Drive  
North Brunswick, NJ 08902

**Via Wire**

Receiver Bank: Bank of George  
Las Vegas, NV 89148

Acct # 1010227882  
Routing # 122402366



**Checks should be titled:**  
Horizon Trust FBO Client Name & Account Number

Beneficiary Name: Horizon Trust Company  
FFC: Client Name & Account Number

### PART 4. AGE 72 REMINDER

I understand that if this transfer is occurring during or after the calendar year during which I attain the age of 72, the required minimum amount determined under this IRA is still required to be distributed. I further understand that the current Trustee/Custodian is not responsible for making this distribution prior to the transfer. I accept full responsibility for satisfying the required minimum distribution ("RMD") applicable to this IRA by withdrawing sufficient amounts from another IRA prior to the deadline for RMDs for the calendar year of the transfer. If this transfer leaves the transferor IRA in one year but does not reach the transferee IRA until the following year, I understand that this will be an "outstanding transfer" as of December 31<sup>st</sup>. The new IRA must "deem" that the transfer was received as of the prior December 31<sup>st</sup> for determining any RMD from the transferee IRA for the year that the transfer was received. I will inform the transferee IRA Trustee/Custodian of any such outstanding transfer.

### PART 5. LIMITED POWER OF ATTORNEY

I, the undersigned, do hereby grant a limited power of attorney to Horizon Trust Company, LLC and its agents to request information regarding my account and the status of this transfer or rollover from the custodian listed above. The power of attorney shall commence and be in full force as of the date listed below and shall remain in full force and effect thereafter until the completion of the transfer or rollover of the assets and/or cash balance listed in the Funding Instructions section of this form.

### PART 6. AUTHORIZATION & SIGNATURE

I am aware that I am responsible for the payment of Federal Income Tax on the taxable portion of this surrender and that I may be subject to tax penalties under Estimated Tax Payment rules if my payment of estimated tax and withholding, if any, are not adequate. I am also aware of any surrender/withdrawal penalties which may apply and I authorize the transaction described above.

I certify that the information contained on this form is true and correct. I understand that I should seek the guidance of a tax or legal professional with regard to this decision. I understand that my custodian cannot provide legal advice. I indemnify and agree to hold the custodian harmless against any liabilities. I assume full responsibility for the consequences of this transfer or conversion decision. The custodian agrees to accept these funds as a transfer or conversion.

Signature of Account Owner:

Account Owner Name: *(Print or Type)*

Date: *(MM/DD/YYYY)*



Please check with your current custodian to determine whether they will require a Notary Stamp or Medallion Signature Guarantee Stamp to transfer or rollover your account. A signature guarantee can be obtained from your bank. If your current custodian does not require a notary or signature guarantee, please sign above and return this form to Horizon Trust Company, LLC.

Notary or Medallion Signature Guarantee Stamp

#### ACKNOWLEDGMENT OF ACCEPTANCE

The authorized signature certifies acceptance of the assignment and surrender or transfer of funds as instructed in this request. After deducting any sums as are permitted under the plan, please complete this transaction and send funds with a copy of this form to Horizon Trust Company. Our organization agrees to serve as the new Custodian for the IRA account of the above-named individual, and as Custodian, we agree to accept the assets being transferred.

Signature of Custodian:

Date: *(MM/DD/YYYY)*

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

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

### RIGHT TO REVOKE YOUR SEP IRA

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

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your SEP IRA, please call the custodian at the telephone number listed on the application.

### REQUIREMENTS OF A SEP IRA

- A. **Cash Contributions** – Your contribution must be in cash, unless it is a rollover contribution, or a policy approved in-kind asset contribution.
- B. **Maximum Contribution** – The total amount your employer may contribute to a SEP IRA for any taxable year cannot exceed the lesser of 25% percent of your compensation or \$57,000 (\$56,000 for 2019), with possible cost-of-living adjustments each year thereafter. If you also maintain either a Traditional or Roth IRA you can still make regular individual contributions to your retirement account (subject to the limits of Internal Revenue Code Section (IRC Sec.) 408A).
- C. **Contribution Eligibility** – Only your employer may contribute to your SEP IRA\* (with the exception of Salary Reduction Simplified Employee Pension (SARSEP) plans established before 1997, which are entitled to make elective salary deferral contributions. For these plans that are still in operation, a participant's elective deferral contributions are limited to \$19,500 in 2020 (\$19,000 in 2019) or 25% of their compensation). \*You may make contributions to the same

account that your employer contributes to under the SEP plan, but are subject to the same contribution limits, catch-up contributions, and tax deduction limits as a traditional IRA. You can simply use the same account as if you had opened a separate Traditional IRA.

- D. **Catch-Up Contributions** – Catch-up contributions are not permitted under a SEP IRA plan (with the exception of SARSEP, which are subject to the same contribution limits as a Traditional IRA).
- E. **Nonforfeitable** – Your interest in your SEP IRA is nonforfeitable.
- F. **Eligible Custodians** – The custodian of your SEP IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.
- G. **Commingling Assets** – The assets of your SEP IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. **Life Insurance** – No portion of your SEP IRA may be invested in life insurance contracts.
- I. **Collectibles** – You may not invest the assets of your SEP IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as SEP IRA investments.
- J. **Required Minimum Distributions\*** – You are required to take minimum distributions from your SEP IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the SEP IRA distribution rules. ***\*Under the CARES Act, the requirement to take a required minimum distribution in 2020 is waived.***
  - 1. You are required to take a minimum distribution from your SEP IRA for the year in which you reach age 72 and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 72. The minimum distribution for any taxable year is equal to the amount obtained by dividing the account balance at the end of the prior year by the applicable divisor. Under the SECURE Act of 2019 provides the change from 70½ to 72 only applies to individuals who reach age 70½ after 2019. The RMD age for individuals who

reached age 70½ before 2020 remains 70½.

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

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

- (a) Make no distribution until you give us a proper withdrawal request
- (b) Distribute your entire SEP IRA to you in a single sum payment
- (c) Determine your required minimum distribution each year based on your life expectancy calculated using the Uniform Lifetime Table, and pay those distributions to you until you direct otherwise

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

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

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

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

your designated beneficiaries, either

- (a) be distributed by December 31 of the year containing the fifth anniversary of your death, or
- (b) be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (a) or (b) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (a) or (b) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (b). In the case of distributions

under option (b), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 72, if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SEP IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SEP IRA, the entire SEP IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

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

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

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

- K. **Qualifying Longevity Annuity Contracts and RMDs** – A qualifying longevity annuity contract (QLAC) is a deferred annuity contract that, among other requirements, must guarantee lifetime income starting no later than age 85. The total premiums paid to QLACs in your SEP IRAs must not exceed 25 percent (up to \$135,000) of the combined value of your SEP IRAs (excluding Roth IRAs). The \$135,000 limit is subject to cost-of-living adjustments each year.

When calculating your RMD, you may reduce the prior year end

account value by the value of QLACs that your SEP IRA holds as investments.

For more information on QLACs, you may wish to refer to the IRS website at [www.irs.gov](http://www.irs.gov).

## INCOME TAX CONSEQUENCES OF ESTABLISHING A SEP IRA

**A. SEP IRA Deductibility**– Only under a SARSEP Plan are you eligible to make elective deferral contributions to your SEP IRA account. However, you may make individual contributions to the same account with the same limits and tax benefits as a traditional IRA without opening a separate account. For employers, the full amount contributed to employee accounts under a SEP plan can be deducted from their taxes (subject to the limitations described above under “Contribution Eligibility”) You may not take a deduction for the amounts contributed to your SARSEP IRA as either employee elective deferrals or employer contributions. However, employee elective deferrals to a SARSEP IRA will reduce your taxable income. Further, employer SEP IRA contributions, including earnings, will not be taxable to you until you take a distribution from your SEP IRA. Participation in your employer’s SEP IRA plan renders you an active participant for purposes of determining whether or not you can deduct contributions to a Traditional IRA.

**B. Contribution Deadline** – The deadline for making a SEP IRA contribution is your employer’s tax return due date (including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and your employer makes your SEP IRA contribution on or before their tax filing deadline, that contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year’s tax return as of the date you entered the combat zone. This additional extension to make your SEP IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

**C. Tax Credit for Contributions** – You may be eligible to receive a tax credit for your SARSEP IRA contributions. This credit will be allowed in addition to any tax deduction that may apply, and may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Traditional SEP IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and

ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

### 2020 ADJUSTED GROSS INCOME\*

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

### 2021 ADJUSTED GROSS INCOME\*

Joint Return	Head of a Household	All Other Cases	Applicable Percentage
\$1–39,500	\$1–29,625	\$1–19,750	50
\$39,501–43,000	\$29,626 - \$32,250	\$19,751 - \$21,500	20
\$43,001 - \$66,000	\$32,251 - \$49,500	\$21,501 - \$33,000	10
Over \$66,000	Over \$49,500	Over \$33,000	0

\*Adjusted gross income (AGI) includes foreign earned income and income from Guam, America Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

**D. Excess Contributions** – An excess contribution is any amount that is contributed to your SEP IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

1. **Removal Before Your Tax Filing Deadline.** An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.
2. **Removal After Your Tax Filing Deadline.** If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the SEP IRA. An excess withdrawal under this method will only be taxable to you if the total contributions made in the year of the excess exceed the annual applicable contribution limit.
3. **Carry Forward to a Subsequent Year.** If you do not

withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

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

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

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

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a \$50 per failure penalty. If you overstate the amount of designated nondeductible contributions for any taxable year, you are subject to a \$100 penalty unless reasonable cause for the overstatement can be shown.

**G. Taxation of Distributions** – The taxation of SEP IRA distributions depends on whether or not you have ever made nondeductible SEP IRA contributions. If you have only made deductible contributions, all SEP IRA distribution amounts will be included in income. If you have ever made nondeductible contributions to any SEP IRA, the following formula must be used to determine the amount of any SEP IRA distribution excluded from income.

$$\frac{\text{Aggregate Nondeductible Contributions}}{\text{Aggregate SEP IRA Balance From Income}} \times \text{Amount Withdrawn} = \text{Amount Excluded from Income}$$

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

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

withheld.

**I. Early Distribution Penalty Tax** – If you receive a SEP IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent will apply to the taxable amount of the distribution unless one of the following exceptions apply. 1) **Death**. After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. 2) **Disability**. If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. 3) **Substantially equal periodic payments**. You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. 4) **Unreimbursed medical expenses**. If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. 5) **Health insurance premiums**. If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your SEP IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. 6) **Higher education expenses**. Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. 7) **First time homebuyer**. You may take payments from your SEP IRA to use toward qualified acquisition costs of buying or building a principal residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. 8) **IRS levy**. Payments from your SEP IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. 9) **Qualified reservist distributions**. If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your SEP IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. 10) **Qualified birth or adoption distributions**. Distributions are permitted from SEP IRAs for distributions made after December 31, 2019. Distributions must be taken within one year of birth or adoption and are limited to adoption of anyone over 18 (other than an individual physically or mentally incapable of self-support) or the adoption of a spouse's child does not qualify. Distributions can later be rolled back into a SEP IRA. It will be up to the SEP IRA owner to substantiate to the tax authorities that the distributions are a qualified birth or adoption distribution.

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

**J. Rollovers and Conversions** – Your SEP IRA may be rolled over to another SEP IRA, SIMPLE IRA, a Traditional IRA or an eligible employer-sponsored retirement plan of yours, may receive rollover contributions, or may be converted to a Roth IRA, provided that all of the applicable rollover and conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your SEP IRA from another SEP IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. The amount rolled over is not subject to taxation or the additional 10 percent early distribution penalty tax. Conversion is a term used to describe the movement of SEP IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

- 1. SEP IRA-to-SEP IRA and SEP IRA to Traditional IRA Rollovers.** Assets distributed from your SEP IRA may be rolled over to the same SEP IRA or another SEP IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper SEP IRA-to-SEP IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days. The same rules apply to SEP IRA to Traditional IRA Rollovers

You are permitted to roll over only one distribution from a SEP IRA (Traditional or SIMPLE) in a 12-month period, regardless of the number of SEP IRAs you own. A distribution may be rolled over to the same SEP IRA or to another SEP IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- 2. SEP IRA-to-SIMPLE IRA Rollovers.** Assets distributed from your SEP IRA may be rolled over to your SIMPLE IRA without IRS penalty tax provided two years have passed since you first participated in a SEP IRA plan sponsored by your employer. As with SEP IRA-to-SEP IRA rollovers, the requirements of IRC Sec. 408(d)(3) must be met. A proper SEP IRA-to-SEP IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

You are permitted to roll over only one distribution from a SEP IRA (Traditional or SIMPLE) in a 12-month period, regardless of the number of SEP IRAs you own. A distribution may be rolled over to the same SEP IRA or to another SEP IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

- 3. Employer-Sponsored Retirement Plan-to-SEP IRA Rollovers.** You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan. An eligible rollover distribution is defined

generally as any distribution from a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan unless it is a required minimum distribution, hardship distribution, part of a certain series of substantially equal periodic payments, corrective distributions of excess contributions, excess deferrals, excess annual additions and any income allocable to the excess, deemed loan distribution, dividends on employer securities, the cost of life insurance coverage, or a distribution of Roth elective deferrals from a 401(k), 403(b), governmental 457(b), or federal Thrift Savings Plan.

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

As an alternative to the indirect rollover, your employer generally must give you the option to directly roll over your employer-sponsored retirement plan balance to a

SEP IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the SEP IRA (or other eligible employer-sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

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

- 6. SEP IRA-to-Employer-Sponsored Retirement Plan Rollovers.** You may roll over, directly or indirectly, any taxable eligible rollover distribution from a SEP IRA to your qualified retirement plan, 403(a) annuity, 403(b) tax sheltered annuity, or 457(b) eligible governmental deferred compensation plan as long as the employer-sponsored retirement plan accepts such rollover contributions.

- 7. SEP IRA-to-Roth IRA Conversions.** If you convert to a Roth IRA, the amount of the conversion from your SEP IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income

(except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SEP IRA to a Roth SEP IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your SEP IRA.

**8. Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your SEP IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans.

**9. Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received a qualified airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court, you are allowed to roll over up to 90 percent of the proceeds into your SEP IRA within 180 days after receipt of such amount, or by a later date if extended by federal law. If you make such a rollover contribution, you may exclude the amount rolled over from your gross income in the taxable year in which the airline settlement payment was paid to you. For further detailed information and effective dates you may obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (SEP IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

**10. Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth SEP IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at [www.irs.gov](http://www.irs.gov).

**11. Rollover of IRS Levy.** If you receive a refund of eligible retirement plan assets that had been wrongfully levied, you may roll over the amount returned up until your tax return due date (not including extensions) for the year in which the money was returned.

**12. Written Election.** At the time you make a rollover to a SEP IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

**K. Transfer Due to Divorce, Levys and Similar Court Directives –** If all or any part of your SEP IRA is awarded to your spouse or

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

## LIMITATIONS AND RESTRICTIONS

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

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

The amount you may contribute to your IRA and your spouse's IRA is the lesser of 100 percent of your combined eligible compensation or \$12,000. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each IRA.

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

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

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

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

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

**G. Pledging –** If you pledge any portion of your SEP IRA as collateral for a loan, the amount so pledged will be treated

as a distribution and will be included in your gross income for that year.

## OTHER

A. **IRS Plan Approval** – Articles I through VII of the agreement used to establish this SEP IRA have been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.

B. **Additional Information** – For further information on IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (Traditional IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), by calling 800-TAX-FORM, or by visiting [www.irs.gov](http://www.irs.gov) on the Internet.

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

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

E. **Qualified Charitable Distributions** – If you are age 72 or older, you may take tax-free SEP IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. If you have both SEP IRA contributions and QCDs in the same year, the \$100,000 is reduced if you are making deductible IRA contributions after age 72. Special tax rules may apply. For further detailed information you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your SEP IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related SEP IRA transactions, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (SEP IRAs), from the IRS or refer to the IRS website at [www.irs.gov](http://www.irs.gov).

G. **Investments** – We shall have no duty or responsibility to review any investment held in the SEP IRA Account or any

investment under consideration by you or any purchase directed by you with respect to any issue, including but not limited to, its safety, risk, suitability or whether or not it should be registered as a security with the appropriate government agencies and shall have no liability with respect to its safety, risk, suitability or whether or not it should be registered as a security with the appropriate government agencies. We shall not be responsible to investigate or perform any due diligence on any investment, investment sponsor or any principal involved with any investment. Further, we have no duty to monitor any investment held in the SEP IRA Account. Acting on your Investment Direction in no way implies endorsement by the Custodian of the assets selected you. We have no responsibility, authority, or discretion for the selection, purchase, sale, monitoring, or continued holding of any investment in the SEP IRA Account. At its sole discretion, we can refuse to act as Custodian on any asset selected by you.

H. **No Tax, Legal or Investment Advice** – In its role as Custodian, Horizon Trust does not provide any tax, legal or investment advice. It is your responsibility as the Account Owner to consult with your investment or tax advisor. The Custodian shall act on your directions for transfers, investments and distributions of Fiat when you have submitted directions in the manner required by Custodian. We are not responsible for losses or damages resulting from the delay of acting on a direction if the direction is unclear, incomplete and not in acceptable form to the Custodian. Additionally, we are not responsible for the performance of the assets selected by you. Under this agreement the Custodian provides Custody Services for the assets selected by you. We act on the Investment Directions provided by you and have no responsibility for the performance or suitability of the assets selected by you.



