

SIMPLE Individual Retirement Custodial Account Agreement



Altruist Financial LLC

Form 5305-SA under section 408(p) of the Internal Revenue Code (Rev. April 2017)

The depositor named on the application is establishing a savings incentive match plan for employees of small employers individual retirement account (SIMPLE IRA) under sections 408(a) and 408(p) to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The depositor and the custodian make the following agreement.

Article I

The custodian will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the custodian will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the custodian.

Article II

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

Article III

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

Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the participant's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The participant's entire interest in the custodial account must be, or begin to be, distributed not later than the participant's required beginning date, April 1 following the calendar year in which the participant reaches age 70 1/2. By that date, the participant may elect, in a manner acceptable to the custodian, to have the balance in the custodial account distributed in:
 - (a) A single sum or
 - (b) Payments over a period not longer than the life of the depositor or the joint lives of the depositor and his or her designated beneficiary.
3. If the participant dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows.
 - (a) If the participant dies on or after the required beginning date and:
 - (i) The designated beneficiary is the participant's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
 - (ii) The designated beneficiary is not the participant's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the participant and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
 - (iii) There is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the participant as determined in the year of the participant's death and reduced by 1 for each subsequent year.
 - (b) If the participant dies before the required beginning date, the remaining interest will be distributed in accordance with paragraph (i) below or, if elected or there is no designated beneficiary, in accordance with paragraph (ii) below.
 - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the participant's death. If, however, the designated beneficiary is the participant's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the participant would have reached age 70 1/2. But, in such case, if the participant's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with paragraph (ii) below if there is no such designated beneficiary.
 - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the participant's death.
4. If the participant dies before his or her entire interest has been distributed and if the designated beneficiary is not the participant's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the participant's required beginning date, is known as the "required minimum distribution" and is determined as follows.

- (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the participant reaches age 70 1/2, is the participant's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the participant's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the participant's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the participant's (or, if applicable, the participant and spouse's) attained age (or ages) in the year.
 - (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the participant's death (or the year the participant would have reached age 70 1/2, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
 - (c) The required minimum distribution for the year the participant reaches age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more IRAs (other than Roth IRAs) may satisfy the minimum distribution requirements described above by taking from one IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

Article V

- 1. The participant agrees to provide the trustee with all information necessary to prepare any reports required by sections 408(i) and 408(l)(2) and Regulations sections 1.408-5 and 1.408-6.
- 2. The custodian agrees to submit to the Internal Revenue Service (IRS) and participant the reports prescribed by the IRS.
- 3. The custodian also agrees to provide the participant's employer the summary description described in section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.

Article VI

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

Article VII

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

Article VIII

1. Definitions

- A. "Agreement" shall mean this SIMPLE Individual Retirement Custodial Agreement and Disclosure Statement, including the information and provisions set forth in any Application that goes with this Agreement, as may be amended from time to time. This Agreement, including the Application and the designation of Beneficiary filed with the Custodian, may be proved either by an original copy or a reproduced copy thereof, including, without limitation, a copy reproduced by photocopying, facsimile transmission, electronic imaging, or other means of electronic transmission.
- B. "Application" shall mean the application by which this Account is established by the Agreement between the Participant and the Custodian. The statements contained therein shall be incorporated into this Agreement.
- C. "Beneficiary" shall mean the person, persons, entity, or entities (for instance, a trust), designated from time to time by a Participant to receive benefit by reason of the death of the Participant, or the person or persons described in Article VIII, section 7 of the Agreement who would otherwise be entitled to receive such benefit.
- D. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.
- E. "Custodial Account" shall mean the SIMPLE individual retirement custodial account (SIMPLE IRA) established hereunder for the benefit of the Participant and/or his or her Beneficiary or Beneficiaries.
- F. "Custodian" must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian. For purposes of this Agreement, the Custodian is Altruist Financial LLC or such other entity identified in the Application or its successor who is qualified to serve as custodian.
- G. "Participant" shall mean a person who establishes the Custodial Account.

2. Notices and Change of Address

Any required notice regarding this SIMPLE IRA will be considered effective when the Custodian sends it to the intended recipient at the last address that the Custodian has in the Custodian's records. Any notice to be given to the Custodian will be considered effective when the Custodian actually receives it. The Participant, or the intended recipient, must notify the Custodian of any change of address.

3. Representations and Responsibilities

The Participant represents and warrants to the Custodian that any information the Participant has given or will give the Custodian with respect to this Agreement is complete and accurate. Further, the Participant agrees that any directions the Participant gives the Custodian or action the Participant takes will be proper under this Agreement, and that the Custodian is entitled to rely upon any such information or directions. If the Custodian fails to receive directions from the Participant regarding any transaction, if the Custodian receive ambiguous

directions regarding any transaction, or if the Custodian, in good faith, believes that any transaction requested is in dispute, the Custodian reserves the right to take no action until further clarification acceptable to the Custodian is received from the Participant or the appropriate government or judicial authority. The Custodian will not be responsible for losses of any kind that may result from the Participant's directions to the Custodian or the Participant's actions or failures to act, and the Participant agree to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions, or failures to act. The Custodian will not be responsible for any penalties, taxes, judgments, or expenses the Participant incurs in connection with the Participant's SIMPLE IRA. The Custodian has no duty to determine whether the Participant's contributions or distributions comply with the Code, regulations, rulings, or this Agreement.

The Custodian may permit the Participant to appoint, through written notice acceptable to the Custodian, an authorized agent to act on the Participant's behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but the Custodian has no duty to determine the validity of such appointment or any instrument appointing such authorized agent. The Custodian will not be responsible for losses of any kind that may result from directions, actions, or failures to act by the Participant's authorized agent, and the Participant agrees to reimburse the Custodian for any loss the Custodian may incur as a result of such directions, actions, or failures to act by the Participant's authorized agent.

The Participant will have 60 days after the Participant receives any documents, statements, or other information from the Custodian to notify the Custodian in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If the Participant does not notify the Custodian within 60 days, the documents, statements, or other information will be deemed correct and accurate, and the Custodian will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this Agreement, the Custodian is acting as the Participant's agent. The Participant acknowledges and agrees that nothing in this Agreement will be construed as conferring fiduciary status upon the Custodian. The Custodian will not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the regulations promulgated thereunder with respect to IRAs. The Participant agrees to indemnify and hold the Custodian harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this Agreement.

To the extent written instructions or notices are required under this Agreement, the Custodian may accept or provide such information in any other form permitted by the Code or applicable regulations including, but not limited to, electronic communication.

4. Disclosure of Account Information

The Custodian may use agents and/or subcontractors to assist in administering the Participant's SIMPLE IRA. The Custodian may release nonpublic personal information regarding the Participant's SIMPLE IRA to such providers as necessary to provide the products and services made available under this Agreement, and to evaluate the Custodian's business operations and analyze potential product, service, or process improvements.

5. Service Fees

The Custodian has the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining the Participant's SIMPLE IRA. In addition, the Custodian has the right to be reimbursed for all reasonable expenses, including legal expenses, the Custodian incurs in connection with the administration of the Participant's SIMPLE IRA. The Custodian may charge the Participant separately for any fees or expenses, or the Custodian may deduct the amount of the fees or expenses from the assets in the Participant's SIMPLE IRA at the Custodian's discretion. The Custodian reserves the right to charge any additional fee after giving the Participant 30 days' notice. Fees such as sub-transfer agent fees or commissions may be paid to the Custodian by third parties for assistance in performing certain transactions with respect to this SIMPLE IRA. Any brokerage commissions attributable to the assets in the Participant's SIMPLE IRA will be charged to the Participant's SIMPLE IRA. The Participant cannot reimburse the Participant's SIMPLE IRA for those commissions.

6. Investment of Amounts in the SIMPLE IRA

A. Direction by Participant. The Participant has exclusive responsibility for and control over the investment of the assets of the Participant's SIMPLE IRA. All transactions will be subject to any and all restrictions or limitations, direct or indirect, that are imposed by the Custodian's charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs and usages of any exchange, market or clearing house where the transaction is executed; the Custodian's policies and practices; and this Agreement. After the Participant's death, the Participant's Beneficiaries will have the right to direct the investment of the Participant's SIMPLE IRA assets, subject to the same conditions that applied to the Participant during the Participant's lifetime under this Agreement. The Custodian will have no discretion to direct any investment in the Participant's SIMPLE IRA. The Custodian assumes no responsibility for rendering investment advice with respect to the Participant's SIMPLE IRA, nor will the Custodian offer any opinion or judgment to the Participant on matters concerning the value or suitability of any investment or proposed investment for the Participant's SIMPLE IRA. In the absence of instructions from the Participant, or if the Participant's instructions are not in a form acceptable to the Custodian, the Custodian will have the right to hold any uninvested amounts in cash, and the Custodian will have no responsibility to invest uninvested cash unless and until directed by the Participant. The Custodian will not exercise the voting rights and other shareholder rights with respect to investments in the Participant's SIMPLE IRA unless the Participant provides timely written directions acceptable to the Custodian.

The Participant will select the investment for the Participant's SIMPLE IRA assets from those investments that the Custodian is authorized by the Custodian's charter, articles of incorporation, or bylaws to offer and do in fact offer for IRAs (e.g., term share accounts, passbook accounts, certificates of deposit, money market accounts.) The Custodian may in the Custodian's sole discretion make available to the Participant additional investment offerings, which will be limited to publicly traded securities, mutual funds, money market instruments, and other investments that are obtainable by the Custodian and that the Custodian is capable of holding in the ordinary course of the Custodian's business.

- B. **Alternative Investments.** If the Participant directs the Account to acquire an alternative investment, private investment or any other such investment that requires special handling by the Custodian, the Participant agrees that such investments are subject to the Custodian's administrative and operational requirements, including but not by way of limitation, valuation or reconciliation requirements. If the issuer or sponsor of such investment fails to comply with the Custodian's requirements, the Custodian may, in its sole discretion, distribute the investment from the Account. The Participant agrees that a distribution of the investment is a distribution from the Account, reportable on an IRS Form 1099-R. The Participant agrees that Custodian may use the last known price for reporting purposes, and if no pricing information is available, the Custodian is authorized to determine the fair market value in its sole discretion or to value the investment at the original purchase price for reporting purposes.
- C. **Direction by Beneficiary.** Upon notification of the death of the Participant, the Account may be divided into separate shares for each Beneficiary who is entitled to receive a share of the Participant's Account, and each Beneficiary's share will be transferred into a separate Account. This permits each Beneficiary to provide investment and distribution directions as to his or her share of the Account. The transfer to separate Account(s) does not create a taxable event for the Beneficiaries. In such event, except as otherwise provided in this Agreement or by applicable law or regulations, all rights, duties, obligations and responsibilities of the Participant under the Agreement will extend to the Beneficiaries following the death of the Participant. Likewise, if requested in a form and manner acceptable to the Custodian, a Beneficiary may request a reportable distribution of their share of the Participant's Account if they choose not to transfer into a separate Account. If a transfer or distribution upon the Participant's death is payable to a Beneficiary known by the Custodian to be a minor or under a legal disability, the Custodian may in its sole discretion take instruction from the parent, guardian, conservator, or other legal representative of such minor or legally disabled person.
- D. **No Duty to Review.** The Custodian shall not be under any duty to review or question any direction of the Participant with respect to investments, to review any securities or other property held in trust, or to make suggestions to the Participant with respect to investments. The Custodian will not be liable for any loss that may result from investments made by the Custodian in accordance with the directions of the Participant.
- E. **Delegation of Investment Responsibility.** Regardless of any other provision of this Agreement to the contrary, the Participant may appoint an investment professional or other person to act as the Participant's representative with authority to direct the Custodian with respect to the investment of assets in the Account. The appointment, however, will be effective only if (1) the Custodian has received an executed copy of an agreement between the Participant and the representative in a form and manner acceptable to the Custodian that specifies the authority of the representative to act on behalf of the Participant, and (2) the Custodian does not object to acting on the direction of that person, which objection the Custodian may assert for any reason at any time. If the Participant appoints a representative, as provided for above, references pertaining to the Participant in this section (insofar as they relate to investment decisions), also refer to the representative. However, all references in this Agreement to the individual whose Account is involved and to the making of contributions and the receipt of distributions are only to the Participant. The Participant may revoke the authority of any representative at any time by notifying the Custodian in a form and manner acceptable to the Custodian and the Custodian shall not be liable in any way for the transactions initiated prior to its receipt of such notice.

7. Beneficiaries

A Participant may designate a Beneficiary or Beneficiaries of the Account at any time and any such designation may be changed or revoked at any time, by written designation executed by the Participant in a form and manner prescribed by or acceptable to, and filed with, the Custodian. Such designation, change, or revocation shall be effective only upon receipt and acceptance by the Custodian and only if such receipt shall be during the Participant's lifetime. The latest such accepted designation, change, or revocation shall control. Following the death of the Participant, the balance of the Participant's Account shall be distributed to the Participant's designated Beneficiary or Beneficiaries, if any, in accordance with the provisions of Article IV of the Agreement and in accordance with the Custodian's administrative or operational requirements and regular business practices, which may change from time to time. If the Participant designates more than one primary or contingent Beneficiary but does not specify the percentages to which such Beneficiary or Beneficiaries are entitled, payment will be made to the surviving Beneficiary or Beneficiaries in equal shares. If a Beneficiary does not predecease the Participant but dies before receiving his or her entire interest in the Account, his or her remaining interest in the Account shall be paid to the Beneficiary or Beneficiaries designated by the deceased Beneficiary. For any allocation where no valid Beneficiary exists, as determined by the Custodian, the Custodian shall distribute the Account in the following order of preference: (1) The Participant's surviving spouse, if any, (2) The Participant's estate.

Under no circumstances may a Participant restrict the right of a Beneficiary to name a successor Beneficiary or Beneficiaries of an inherited Account. Except as otherwise provided in this Agreement or by applicable law or regulations, all rights, duties, obligations and responsibilities of the Participant under the Agreement will extend to the Beneficiaries following the death of the Participant. The Custodian reserves the right to take the steps it deems appropriate in validating Beneficiaries after the Participant's death.

- A. **Per Capita.** If neither "per capita" nor "per stirpes" is selected, the default is "per capita." For "per capita" designations, if any primary beneficiaries predecease the Participant, their allocation will be split among other primary beneficiaries on a prorated basis. Contingent beneficiaries will only receive assets if all primary beneficiaries predecease the Participant. If the Participant has not designated the Beneficiaries for any portion of the eligible assets for any reason, including but not limited to the percentages of eligible designations total less than 100%, or because one or more Beneficiaries is deceased on the Participant's date of death, such eligible assets shall be distributed to the primary beneficiaries who survive the Participant in the same proportion that their original shares bear to each other or, if no primary beneficiary is then living, such eligible assets shall be distributed to the contingent beneficiaries who survived the Participant in the same proportion that their original shares bear to each other.
- B. **Per Stirpes.** If per stirpes is selected, and any Beneficiaries predecease the Participant, their allocation will be split among their lineal descendants by right of representation. For any Beneficiaries who pre-decease the Participant, their share will be distributed to the Beneficiary's children in equal shares and, if there are no children, their share will be distributed to the Beneficiary's grandchildren in equal shares, and so on. The Custodian shall be authorized to rely on any representation of facts made by the Participant, the executor or administrator of the estate of the Participant, any Beneficiary, the executor or administrator of the estate of any Beneficiary, or any other

person deemed appropriate by the Custodian in determining the identity of unnamed Beneficiaries.

- C. Effect of Divorce. If the Participant designates their spouse as beneficiary, the designation will automatically be void upon the dissolution of marriage by divorce or annulment unless the decree of divorce or annulment designates the former spouse as beneficiary. If it does not, to designate the Participant's ex-spouse as beneficiary, the Participant must file a new designation, dated after the date of dissolution of their marriage, to re-designate the Participant's ex-spouse as beneficiary. The Custodian shall, however, have no responsibility to determine the Participant's marital status at time of death or be responsible or liable for any distributions made in accordance with this designation, prior to receipt of notice of a divorce or annulment.

8. Required Minimum Distributions

The Custodian may notify the Participant of the need to take required minimum distributions once he or she reaches age 72 or such other age as may be provided by the code, and, if requested by the Participant, will calculate the required minimum distribution amount for the Account. The Participant shall be responsible for causing the required minimum distribution amount to be withdrawn from his or her Account each year. Notwithstanding anything in Article IV to the contrary, the Custodian shall not, without the consent of the Participant, distribute the value of the Account where the Participant fails to choose any method of distribution by April 1st of the year following the year the Participant reaches age 72 or such other age as may be provided under the code.

9. Termination of Agreement, Resignation, or Removal of Custodian

Either party may terminate this Agreement at any time by giving written notice to the other. The Custodian can resign as custodian at any time effective 30 days after the Custodian sends written notice of the Custodian's resignation to the Participant. Upon receipt of that notice, the Participant must make arrangements to transfer the Participant's SIMPLE IRA to another financial organization. If the Participant do not complete a transfer of the Participant's SIMPLE IRA within 30 days from the date the Custodian send the notice to the Participant, the Custodian has the right to transfer the Participant's SIMPLE IRA assets to a successor SIMPLE IRA trustee or custodian that the Custodian choose in the Custodian's sole discretion, or the Custodian may pay the Participant's SIMPLE IRA to the Participant in a single sum. The Custodian will not be liable for any actions or failures to act on the part of any successor trustee or custodian, nor for any tax consequences the Participant may incur that result from the transfer or distribution of the Participant's assets pursuant to this section.

If this Agreement is terminated, the Custodian may charge to the Participant's SIMPLE IRA a reasonable amount of money that the Custodian believes is necessary to cover any associated costs, including but not limited to one or more of the following:

- Any fees, expenses, or taxes chargeable against the Participant's SIMPLE IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in the Participant's SIMPLE IRA

If the Custodian is a nonbank custodian required to comply with Regulations section 1.408-2(e) and the Custodian fails to do so or the Custodian is not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require the Custodian to substitute another trustee or custodian. The Custodian may establish a policy requiring distribution of the entire balance of the Participant's SIMPLE IRA to the Participant in cash or property if the balance of the Participant's SIMPLE IRA drops below the minimum balance required under the applicable investment or policy established.

10. Successor Custodian

If the Custodian's organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if the Custodian's entire organization (or any portion that includes the Participant's SIMPLE IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of the Participant's SIMPLE IRA, but only if it is the type of organization authorized to serve as an SIMPLE IRA trustee or custodian.

11. Amendments

The Custodian has the right to amend this Agreement at any time. Any amendment the Custodian makes to comply with the Code and related regulations does not require the Participant's consent. The Participant will be deemed to have consented to any other amendment unless, within 30 days from the date the Custodian sends the amendment, the Participant notifies the Custodian in writing that the Participant does not consent.

12. Withdrawals or Transfers

All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to the Custodian. The method of distribution must be specified in writing or in any other method acceptable to the Custodian. The tax identification number of the recipient must be provided to the Custodian before the Custodian is obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

13. Transfers From Other Plans

The Custodian can receive amounts transferred to this SIMPLE IRA from the trustee or custodian of another SIMPLE IRA. In addition, the Custodian can accept rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. The Custodian reserves the right not to accept any transfer or direct rollover.

14. Liquidation of Assets

The Custodian has the right to liquidate assets in the Participant's SIMPLE IRA if necessary to make distributions or to pay fees, expenses,

taxes, penalties, or surrender charges properly chargeable against the Participant's SIMPLE IRA. If the Participant fails to direct the Custodian as to which assets to liquidate, the Custodian will decide, in the Custodian's complete and sole discretion, and the Participant agrees to not hold the Custodian liable for any adverse consequences that result from the Custodian's decision.

15. Restrictions on the Fund

Neither the Participant nor any Beneficiary may sell, transfer, or pledge any interest in the Participant's SIMPLE IRA in any manner whatsoever, except as provided by law or this Agreement. The assets in the Participant's SIMPLE IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this Agreement.

16. What Law Applies

This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile will govern.

If any part of this Agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither the Participant's nor the Custodian's failure to enforce at any time or for any period of time any of the provisions of this Agreement will be construed as a waiver of such provisions, or the Participant's right or the Custodian's right thereafter to enforce each and every such provision.

17. Summary Description Requirements

Notwithstanding Article V above, this Custodian will be deemed to have satisfied our summary description reporting requirements under Internal Revenue Code (IRC) Section 408(l)(2) if either

- The Custodian provides a summary description directly to the Participant, or
- The Custodian provides their name, address and withdrawal procedures to the Participant, and the Participant's employer provides the Participant with all other required information.

General Instructions

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

Purpose of Form

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

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

For more information on SIMPLE IRAs, including the required disclosures the custodian must give the participant, see **Pub. 590-A**, Contributions to Individual Retirement Arrangements (IRAs); **Pub. 590-B**, Distributions from Individual Retirement Arrangements (IRAs); and **Pub 560**, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans).

Definitions

Participant. The participant is the person who establishes the custodial account.

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

Transfer SIMPLE IRA

This SIMPLE IRA is a "transfer SIMPLE IRA" if it is not the original recipient of contributions under any SIMPLE IRA plan. The summary description requirements of section 408(l)(2) do not apply to transfer SIMPLE IRAs.

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the participant reaches age 70 1/2 to ensure that the requirements of section 408(a)(6) have been met.

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

SIMPLE IRA Summary Statement



Altruist Financial LLC

1. Right to Revoke Your SIMPLE IRA

You have the right to revoke your SIMPLE IRA within seven (7) days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your SIMPLE 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 Altruist Financial LLC, 300 S. Pearl Expressway, Suite 250, Dallas, TX 75201. 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 SIMPLE IRA, please call Altruist Support at 888-510-4660.

2. Requirements of a SIMPLE IRA

A. Cash Contributions – Your contribution must be in cash unless it is a rollover contribution.

B. Maximum Contribution – The only contributions that may be made to your SIMPLE IRA are employee elective deferrals under a qualified salary reduction agreement, employer contributions, and other contributions allowed by the Code or related regulations, that are made under a SIMPLE IRA plan maintained by your employer. Employee elective deferrals may not exceed the lesser of 100 percent of your compensation for the calendar year or \$16,000 for 2024, with possible cost-of-living adjustments each year thereafter. Your employer may make additional contributions to your SIMPLE IRA within the limits prescribed in Internal Revenue Code Section (IRC Sec.) 408(p). Your employer is required to provide you with information that describes the terms of its SIMPLE IRA plan.

Beginning in 2024, if you are employed by an employer with no more than 25 employees who received at least \$5,000 in compensation the preceding year, your annual deferral and catch-up contribution limit is 110 percent of the contribution limit that would otherwise apply in 2024.

Beginning in 2024, employers with 26 to 100 employees who received at least \$5,000 in compensation the preceding year may also elect to apply the increased deferral and catch-up contribution limits. Contact your employer to determine if the increased contribution limit applies to you.

C. Catch-Up Contributions – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your SIMPLE IRA. The maximum additional contribution is \$3,500 for 2024, with possible cost-of-living adjustments each year thereafter.

D. Nonforfeitable Interest – Your interest in your SIMPLE IRA is nonforfeitable.

E. Eligible Custodians – The custodian of your SIMPLE IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

F. Commingling Assets – The assets of your SIMPLE IRA cannot be commingled with other property except in a common trust fund or common investment fund.

G. Life Insurance – No portion of your SIMPLE IRA may be invested in life insurance contracts.

H. Collectibles – You may not invest the assets of your SIMPLE 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)) also are permitted as SIMPLE IRA investments.

I. Required Minimum Distributions – You are required to take minimum distributions from your SIMPLE IRA at certain times in accordance with Treasury Regulation 1.408-8. Below is a summary of the SIMPLE IRA distribution rules.

i. RMDs for 2023 and Beyond – Beginning in 2023, if you were born in 1951 or later, you are required to take a minimum distribution from your SIMPLE IRA for the year in which you reach age 73 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 73. 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.

ii. RMDs Prior to 2023 – If you were born before July 1, 1949, you were required to take your first RMD from your SIMPLE IRA for the year in which you attained age 70½ and for each year thereafter. If you were born on or after July 1, 1949, but before January 1, 1951, you were required to take your first RMD from your SIMPLE IRA for the year in which you attained age 72 and for each year thereafter.

iii. 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.

We reserve the right to do any one of the following by your required beginning date.

- (a) Make no distribution until you give us a proper withdrawal request
- (b) Distribute your entire SIMPLE 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 an RMD, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to 10 percent. You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed, whichever is earlier.

J. Beneficiary Distributions – Upon your death, your beneficiaries are required to take distributions according to IRC Sec. 401(a)(9) and Treasury Regulation 1.408-8. These requirements are described below.

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

If you die on or after your required beginning date, distributions must be made to your beneficiaries over the longer of the single life expectancy of your designated beneficiaries, or your remaining life expectancy. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE 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 RMD age (as described in the Required Minimum Distributions section above), 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 SIMPLE IRA for purposes of determining the distribution period. If there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

ii. Death of SIMPLE IRA Owner On or After January 1, 2020 – The entire amount remaining in your account will generally be distributed by December 31 of the year containing the tenth anniversary of your death unless you have an eligible designated beneficiary or you have no designated beneficiary for purposes of determining a distribution period. This requirement applies to beneficiaries regardless of whether you die before, on, or after your required beginning date.

If your beneficiary is an eligible designated beneficiary, the entire amount remaining in your account may be distributed (in accordance with the Treasury Regulations) over the remaining life expectancy of your eligible designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary).

An eligible designated beneficiary is any designated beneficiary who is:

- your surviving spouse,
- your child who has not reached the age of majority,
- disabled (A physician must determine that the beneficiary's impairment can be expected to result in death or to be of long, continued, and indefinite duration.),
- an individual who is not more than 10 years younger than you, or
- chronically ill (A chronically ill individual is someone who (1) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for an indefinite period due to a loss of functional capacity, (2) has a level of disability similar to the level of disability described above requiring assistance with daily living based on loss of functional capacity, or (3) requires substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.)

Note that certain trust beneficiaries (e.g., certain trusts for disabled and chronically ill individuals) may take distribution of the entire amount remaining in your account over the remaining life expectancy of the trust beneficiary.

Generally, life expectancy distributions to an eligible designated beneficiary must commence by December 31 of the year following the year of your death. However, if your spouse is the eligible designated beneficiary, distributions need not commence until December 31 of the year you would have attained RMD age (as described in the Required Minimum Distributions section above), if later. If your eligible designated beneficiary is your minor child, life expectancy payments must begin by December 31 of the year following the year of your

death and continue until the child reaches the age of majority. Once the age of majority is reached, the beneficiary will have 10 years to deplete the account.

If a beneficiary other than a person (e.g., your estate, a charity, or a certain type of trust) is named, you will be treated as having no designated beneficiary of your SIMPLE IRA for purposes of determining the distribution period. If you die before your required beginning date and there is no designated beneficiary of your SIMPLE IRA, the entire SIMPLE IRA must be distributed by December 31 of the year containing the fifth anniversary of your death. If you die on or after your required beginning date and there is no designated beneficiary of your SIMPLE IRA, distributions will commence using your single life expectancy, reduced by one in each subsequent year.

A spouse beneficiary will have all rights as granted under the Code or applicable Treasury Regulations to treat your SIMPLE IRA as his or her own.

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 SIMPLE IRA owner take total distribution of all SIMPLE IRA assets by December 31 of the year following the year of death.

If your beneficiary fails to remove an RMD after your death, an excess accumulation penalty tax of 25 percent is imposed on the amount of the RMD that should have been taken but was not. If the failure to take an RMD is corrected in a timely manner, the penalty tax is further reduced to 10 percent. 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.

The correction window for the reduced penalty begins on the date the penalty tax is imposed and ends the earlier of: (1) the date a notice of deficiency regarding the tax is mailed, (2) the date the tax is assessed, or (3) the last day of the second taxable year beginning after the year in which the tax is imposed.

- 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.

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

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

- L. Waiver of 2020 RMD – RMDs and life expectancy payments for beneficiaries were waived for calendar year 2020. If the five-year rule applies to a SIMPLE IRA with respect to any decedent, the five-year period is determined without regard to calendar year 2020 because of this waiver. For example, if a SIMPLE IRA owner died in 2019, the beneficiary’s five-year period ends in 2025 instead of 2024.

3. Income Tax Consequences of Establishing a SIMPLE IRA

- A. Deductibility for SIMPLE IRA Contributions – You may not take a deduction for the amounts contributed to your SIMPLE IRA as either employee elective deferrals or employer contributions. However, employee elective deferrals to a SIMPLE IRA will reduce your taxable income. Further, employer SIMPLE IRA contributions, including earnings, will not be taxable to you until you take a distribution from your SIMPLE IRA.

Participation in your employer’s SIMPLE 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 – SIMPLE IRA deferral contributions must be deposited into the SIMPLE IRA as soon as administratively possible, but in no event later than 30 days following the month in which you would have otherwise received the money. Employer matching or nonelective contributions must be deposited no later than the due date for filing the employer’s tax return, including extensions.
- C. Tax Credit for Contributions – You may be eligible to receive a tax credit for your SIMPLE IRA deferrals. This credit 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 deferrals made to your SIMPLE IRA and reduce these contributions by any distributions that you may 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.

2024 Adjusted Gross Income*						Acceptable Percentage
Joint Return		Head of Household		All Other Cases		
Over	Not Over	Over	Not Over	Over	Not Over	
	\$46,000		\$34,500		\$23,000	50
\$46,000	\$50,000	\$34,500	\$37,500	\$23,000	\$25,000	20
\$50,000	\$76,500	\$37,500	\$57,375	\$25,000	\$38,250	10
\$76,500		\$57,375		\$38,250		0

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

- D. Tax-Deferred Earnings – The investment earnings of your SIMPLE IRA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).
- E. Excess Contributions – If you defer more than the maximum allowable limit for the tax year, you have an excess deferral and must correct it. Excess deferrals, adjusted for earnings, must be distributed from your SIMPLE IRA.

If your employer mistakenly contributes too much to your SIMPLE IRA as an employer contribution, your employer may affect distribution of the employer excess amount, adjusted for earnings through the date of distribution. The amount distributed to the employer is not includible in your gross income.

- F. Income Tax Withholding – Ten percent federal income tax withholding will be applied to a withdrawal from your SIMPLE IRA unless you choose to withhold a different amount or elect not to have withholding apply. We are not required to withhold taxes from any distribution that we reasonably believe is not taxable.
- G. Early Distribution Penalty Tax – If you receive a SIMPLE IRA distribution before you attain age 59½, an additional early distribution penalty tax of 10 percent (25 percent if less than two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer) will apply to the taxable amount of the distribution unless one of the following exceptions apply. 1) Death. After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. 2) Disability. If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be of long, continued, and indefinite duration. 3) Substantially equal periodic payments. You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. 4) Unreimbursed medical expenses. If you take payments to pay for unreimbursed medical expenses that exceed a specified percentage of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. For further detailed information and effective dates you may obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. 5) Health insurance premiums. If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your SIMPLE 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 SIMPLE 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 SIMPLE 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 SIMPLE IRA during the active duty period are not subject to the 10 percent early distribution penalty tax. 10) Qualified birth or adoption. Payments from your SIMPLE IRA for the birth of your child or the adoption of an eligible adoptee will not be subject to the 10 percent early distribution penalty tax if the distribution is taken during the one-year period beginning on the date of birth of your child or the date on which your legal adoption of an eligible adoptee is finalized. An eligible adoptee means any individual (other than your spouse's child) who has not attained age 18 or is physically or mentally incapable of self-support. The aggregate amount you may take for this reason may not exceed \$5,000 for each birth or adoption. 11) Terminal illness. Payments from your SIMPLE IRA made because you are terminally ill are not subject to the 10 percent early distribution penalty tax. You are terminally ill if you have been certified by a physician, in accordance with documentation requirements to be established by the IRS, as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification. 12) Qualified Disaster Recovery Distribution. If you are an affected SIMPLE IRA owner in a federally declared disaster area who has sustained an economic loss by reason of such qualified disaster, you may take up to \$22,000 per disaster from your SIMPLE IRA without incurring the 10 percent early distribution penalty tax. 13) Domestic abuse. Beginning in 2024, if you are a victim of domestic abuse you may withdraw up to \$10,000 (subject to possible cost-of-living adjustments each year beginning in 2025) or 50% of your SIMPLE IRA balance, whichever is less, within one year of the abuse without incurring the 10 percent early distribution penalty tax. 14) Emergency personal expenses. Beginning in 2024, you may take one withdrawal in a calendar year as an emergency personal expense distribution for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, without incurring the 10 percent early distribution penalty tax. The amount that may be treated as an emergency personal expense distribution in any calendar year is \$1,000 or the total balance in your SIMPLE IRA over \$1,000, determined as of the date of each such distribution, whichever is less. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made SIMPLE IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid. 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.
- H. Rollovers and Conversions – Your SIMPLE IRA may be rolled over to another SIMPLE IRA, 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 SIMPLE IRA from another SIMPLE IRA, Traditional IRA, or from your employer's qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan provided a two-year period has been satisfied. 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 SIMPLE 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.

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

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

- ii. Traditional IRA-to-SIMPLE IRA Rollovers. Assets distributed from your Traditional IRA may be rolled over to a SIMPLE IRA if the requirements of IRC Sec. 408(d)(3) are met and two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. A proper Traditional IRA-to-SIMPLE IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days. You are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [irs.gov](https://www.irs.gov).
- iii. Employer-Sponsored Retirement Plan-to-SIMPLE IRA Rollovers. You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to a SIMPLE IRA provided two years have passed since you first participated in the SIMPLE IRA plan sponsored by your employer. 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 SIMPLE 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 SIMPLE 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 SIMPLE IRA. If you elect the direct rollover option, your eligible rollover distribution will be paid directly to the SIMPLE IRA (or other eligible employer- sponsored retirement plan) that you designate. The 20 percent withholding requirements do not apply to direct rollovers.

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

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

- v. SIMPLE IRA-to-Employer-Sponsored Retirement Plan Rollovers. You may roll over, directly or indirectly, any eligible rollover distribution from a SIMPLE IRA to an employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The employer-sponsored retirement plan, however, must allow for such rollover contributions.
- vi. SIMPLE IRA-to-Roth IRA Conversions. You are eligible to convert all or any portion of your existing SIMPLE IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. If you convert to a Roth IRA, the amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are required to take a required minimum distribution for the year, you must remove your required minimum distribution before converting your SIMPLE IRA.
- vii. 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.
- viii. Written Election. At the time you make a rollover to a SIMPLE 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.

I. Repayments of Certain Distributions.

- i. Qualified Birth or Adoption Distributions. If you have taken a qualified birth or adoption distribution, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received. In the case of a qualified birth or adoption distribution made on or before December 29, 2022, the deadline to repay the distribution is December 31, 2025.
- ii. Terminal Illness Distributions. If you have taken a distribution due to a terminal illness, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.
- iii. Domestic Abuse Distributions. Beginning in 2024, if you have taken a distribution because you are a victim of domestic abuse, you may generally pay all or a portion of the aggregate amount of such distribution to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.
- iv. Emergency Personal Expense Distributions. Beginning in 2024, if you had taken an emergency personal expense distribution, the distribution may be repaid within a three-year period. No further emergency personal expense distributions are allowed during the immediately following three calendar years unless repayment occurs, or you have made SIMPLE IRA contributions after the previous distribution in an amount at least equal to the previous distribution that has not been repaid.
- v. Qualified Disaster Recovery Distributions. If you have taken a qualified disaster recovery distribution, the distribution may be re-contributed to a SIMPLE IRA at any time during the three-year period beginning on the day after the date on which such distribution was received.

For further information, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or refer to the IRS website at [irs.gov](https://www.irs.gov).

J. Recharacterizations – You may not recharacterize a Roth IRA conversion back to a SIMPLE IRA.

3. Limitations and Restrictions

- A. Deduction of Rollovers and Transfers – A deduction is not allowed for rollover or transfer contributions.
- B. Gift Tax – Transfers of your SIMPLE IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. Special Tax Treatment – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to SIMPLE IRA distributions.
- D. Prohibited Transactions – If you or your beneficiary engage in a prohibited transaction with your SIMPLE IRA, as described in IRC Sec. 4975, your SIMPLE 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 SIMPLE IRA. (1) Taking a loan from your SIMPLE IRA (2) Buying property for personal use (present or future) with SIMPLE IRA assets (3) Receiving certain bonuses or premiums because of your SIMPLE IRA.
- E. Pledging – If you pledge any portion of your SIMPLE 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.

4. Other

- A. IRS Plan Approval – Articles I through VII of the agreement used to establish this SIMPLE 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 SIMPLE IRAs, you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), or Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), by calling 800-TAX-FORM, or by visiting [irs.gov](https://www.irs.gov).
- 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 SIMPLE 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 SIMPLE IRA or retirement plan, you may re-contribute those amounts to an IRA generally within a two-year period from your date of return.
- E. Disaster Related Relief – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, a federally-declared disaster in a specified disaster area), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your SIMPLE IRA. Qualified disaster relief includes an automatic 60-day extension to perform certain acts and 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.

Qualified Disaster Recovery Distributions. If your principal residence is located in a qualified disaster area and you have sustained an economic loss by reason of such disaster, you may receive up to \$22,000 per disaster in aggregate distributions from your retirement plans and IRAs as qualified disaster recovery distributions. A qualified disaster is any major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after January 26, 2021. These distributions are not subject to the 10 percent early distribution penalty tax. In addition, unless you elect otherwise, any amount required to be included in your gross income for such taxable year shall be included ratably over a three-taxable year period, beginning with the taxable year of the distribution. Qualified disaster recovery distributions may be repaid at any time generally within a three-year period beginning on the day after the date the distribution was received.

Repayments of Withdrawals for Home Purchase. If you received a qualified first-time homebuyer distribution to purchase or construct a principal residence in the qualified disaster area, but which was not used on account of the qualified disaster, you are able to repay the distribution within 180 days of the applicable date of such disaster. The distribution must have been received during the period (1) beginning 180 days before the first day of the FEMA declared incident period, and (2) ending 30 days after the last day of the FEMA declared incident period.

For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related SIMPLE IRA transactions, you may wish to obtain IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), from the IRS or refer to the IRS website at [irs.gov](https://www.irs.gov).

- F. **Coronavirus-Related Distributions (CRDs)** – If you qualified in 2020, you were able to withdraw up to \$100,000 in aggregate from your IRAs and eligible retirement plans as a CRD, without paying the 10 percent early distribution penalty tax. You were a qualified individual if you (or your spouse or dependent) was diagnosed with the COVID-19 disease or the SARS-CoV-2 virus in an approved test; or if you experienced adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to such virus or disease, being unable to work due to lack of child care due to such virus or disease, closing or reduced hours of a business owned or operated by you due to such virus or disease, or other factors as determined by the IRS. A CRD must have been made on or after January 1, 2020, and before December 31, 2020.

CRDs will be taxed ratably over a three-year period, unless you elected otherwise, and may be repaid over three years beginning with the day following the day a CRD is made. Repayments may be made to an eligible retirement plan or IRA.

An eligible retirement plan is defined as a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or an IRA.

SIMPLE IRA Financial Disclosure Statement



Altruist Financial LLC

The value of your IRA will be dependent solely upon the performance of any investment instrument held in your IRA. Therefore, no projection of the growth of your IRA can reasonably be shown or guaranteed. Terms and conditions of the IRA that affect your investments are listed below.

1. **Investment Options.** You may direct the investment of your funds within this IRA into any investment instrument offered by or through the Custodian. The Custodian will not exercise any investment discretion regarding your IRA, as this is solely your responsibility.
2. **Account Fees.** A schedule of fees will be provided by the financial institution that introduced the account to you. The annual maintenance, termination, and other administration fees shall be charged by the Custodian or the financial institution that introduced the account to you for services hereunder in accordance with the current fee schedule that is in effect. At the discretion of the Custodian or the financial institution that introduced the account to you, you may receive a separate invoice or invoice instructions on your statement for the account maintenance and other related fees that are due and payable upon receipt. Fees when due shall be automatically charged against the IRA or as you direct in writing, charged against another account held by the Custodian over which you have investment authority. You may not reimburse your IRA for account fees including fee based account fees, once they have been charged to your IRA. Any reimbursement of annual maintenance or other administrative fees charged to your IRA must be considered a contribution to your IRA and reported to the IRS accordingly. Alternatively, you may choose to pay the fees in a timely manner before the account has been charged. If you do prepay the account maintenance fee, you will see a corresponding debit and credit offset on your account statement. The financial institution that introduced the account to you may notify you prior to changing the fee schedule. In the event of account termination either by you or by the Custodian for any reason, the Custodian or financial institution shall be entitled to receive the full termination fee, along with the full, non-prorated current year maintenance fee, regardless of the date during the year of the termination of the account.
3. **Brokerage Commissions.** Commissions and other securities transaction-related charges shall be charged by the financial institution that introduced the account to you. Such commissions must be paid from assets held within your IRA and may not be reimbursed.
4. **Other Expenses.** Taxes of any kind, which may be imposed with respect to your IRA and any expenses incurred by the Custodian in the management of your IRA, together with any fees referred to above, shall be paid by you (as permissible), charged against your account, or as directed in writing by you, charged against another account over which you have authority.
5. **Earnings.** The method for computing and allocating annual earnings (e.g., interest, dividends) on your IRA will differ based on the nature and issuer of the investments chosen. Refer to the investment prospectus or contract for the methods used for computing and allocating annual earnings.