



## Roth Individual Retirement Custodial Account Agreement

Altruist Financial LLC  
v20241011

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

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

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

The depositor and the custodian make the following agreement.

### Article I

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

### Article II

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

### Article III

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

### Article IV

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

### Article V

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

- (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.
- 2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting 1 from the divisor for each subsequent year.
  - 3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

#### **Article VI**

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

#### **Article VII**

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

#### **Article VIII**

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

#### **Article IX**

##### **1. Definitions**

- A. "Agreement" shall mean this Roth 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 Roth individual retirement custodial account (Roth 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 them 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 Roth 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 Roth 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 Roth IRA. The Custodian may release nonpublic personal information regarding the Participant's Roth 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 Roth 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 Roth 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 Roth 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 Roth IRA. Any brokerage commissions attributable to the assets in the Participant's Roth IRA will be charged to the Participant's Roth IRA. The Participant cannot reimburse the Participant's Roth IRA for those commissions.

## 6. Investment of Amounts in the Roth IRA

- A. Direction by Participant. The Participant has exclusive responsibility for and control over the investment of the assets of the Participant's Roth 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 Roth 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 Roth IRA. The Custodian assumes no responsibility for rendering investment advice with respect to the Participant's Roth 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 Roth 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 Roth IRA unless the Participant provides timely written directions acceptable to the Custodian.

The Participant will select the investment for the Participant's Roth 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. (i) 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.

If the Participant's surviving spouse is the designated beneficiary, he or she may elect to treat the Participant's Roth IRA as his or her own Roth IRA and would not be subject to the required minimum distribution rules. The Participant's surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

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. 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 Roth IRA to another financial organization. If the Participant do not complete a transfer of the Participant's Roth 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 Roth IRA assets to a successor Roth IRA trustee or custodian that the Custodian choose in the Custodian's sole discretion, or the Custodian may pay the Participant's Roth 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 Roth 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 Roth IRA

Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in the Participant's Roth IRA

If the Custodian is a non-bank 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 Roth IRA to the Participant in cash or property if the balance of the Participant's Roth IRA drops below the minimum balance required under the applicable investment or policy established.

## **9. 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 Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of the Participant's Roth IRA, but only if it is the type of organization authorized to serve as an Roth IRA trustee or custodian.

## **10. 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.

#### **11. 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.

#### **12. Transfers From Other Plans**

The Custodian can receive amounts transferred to this Roth IRA from the trustee or custodian of another Roth 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.

#### **13. Liquidation of Assets**

The Custodian has the right to liquidate assets in the Participant's Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against the Participant's Roth 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.

#### **14. Restrictions on the Fund**

Neither the Participant nor any Beneficiary may sell, transfer, or pledge any interest in the Participant's Roth IRA in any manner whatsoever, except as provided by law or this Agreement.

The assets in the Participant's Roth IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this Agreement.

#### **15. 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.

### **General Instructions**

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

#### **Purpose of Form**

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

**Do not** file Form 5305-RA with the IRS. Instead, keep it with your records. Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross to \$10,000, are not includible in gross

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

## **Definitions**

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

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

## **Specific Instructions**

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

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

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





## Roth IRA Summary Statement

Altruist Financial LLC  
V20241011

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### 1. Right to Revoke Your Roth IRA

You have the right to revoke your Roth 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 Roth 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 Roth IRA, please call Altruist Support at 888-510-4660.

### 2. Requirements of a Roth IRA

- A. Cash Contributions – Your contribution must be in cash, unless it is a rollover or conversion contribution.
- B. Maximum Contribution – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$7,000 for 2024, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$230,000 (for 2024) if you are a married individual filing a joint income tax return, or equals or exceeds \$146,000 (for 2024) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$240,000 (for 2024) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$161,000 (for 2024) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for future tax years.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$234,000, your maximum Roth IRA contribution for 2024 is \$4,200  $([\$240,000 \text{ minus } \$234,000] \text{ divided by } \$10,000 \text{ and multiplied by } \$7,000)$ .

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$155,000, your maximum Roth IRA contribution for 2024 is \$2,800  $([\$161,000 \text{ minus } \$155,000] \text{ divided by } \$15,000 \text{ and multiplied by } \$7,000)$ .

- C. Contribution Eligibility – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation for the taxable year for which the contribution is made and your MAGI is below the maximum threshold.

Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.

- D. 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 Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in tax year 2024.
- E. Nonforfeitable Interest – Your interest in your Roth IRA is nonforfeitable.
- F. Eligible Custodians – The custodian of your Roth 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 Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.
- H. Life Insurance – No portion of your Roth IRA may be invested in life insurance contracts.
- I. Collectibles – You may not invest the assets of your Roth 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 Roth IRA investments.
- 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 Roth 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. 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 required minimum distribution (RMD) age (as described below), 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 Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

**RMD Age** – If you were born in 1951 or later, you will attain RMD age in the year that you reach age 73. If you were born before July 1, 1949, you attained RMD age in the year you attained age 70½. If you were born on or after July 1, 1949, but before January 1, 1951, you attained RMD age in the year you attained age 72.

- ii. Death of Roth 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.

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 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 Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth 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 Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove an RMD from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth 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 Roth IRA owner take total distribution of all Roth 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 (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.

- K. Waiver of 2020 RMD – Life expectancy payments for beneficiaries were waived for calendar year 2020. In addition, if the five-year rule applies to a Roth 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 Roth IRA owner died in 2019, the beneficiary's five-year period ends in 2025 instead of 2024.

### 3. Income Tax Consequences of Establishing a Roth IRA

- A. Contributions Not Deducted – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.
- B. Contribution Deadline – The deadline for making a Roth IRA contribution is your tax return due date (not 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 you make your Roth IRA contribution on or before your tax filing deadline, your 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 Roth 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 Roth IRA contributions. 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 contributions made to your Roth 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.

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, 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 Roth 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.

- i. **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.
- ii. **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 Roth IRA. An excess withdrawal under this method is not taxable to you.
- iii. **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 Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.
- F. **Taxation of Distributions** – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.
  - i. **Qualified Distributions.** Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events.
    - Attainment of age 59½
    - Disability
    - First-time homebuyer purchase
    - Death

For example, if you made a contribution to your Roth IRA for 2015, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2020.

- ii. **Nonqualified Distributions.** If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.
- G. **Income Tax Withholding** – Ten percent federal income tax withholding will be applied to a withdrawal from your Roth 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.
  - H. **Early Distribution Penalty Tax** – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement

plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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 24 months or less after the date of the certification. 12) Qualified Disaster Recovery Distribution. If you are an affected Roth 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 Roth 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 Roth 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 Roth 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 Roth 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.

- I. Required Minimum Distributions – You are not required to take distributions from your Roth IRA during your lifetime (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your

beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled Beneficiary Payouts in this disclosure statement regarding beneficiaries' required minimum distributions.

J. Rollovers and Conversions – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth 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. Conversion is a term used to describe the movement of Traditional IRA or 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. Roth IRA-to-Roth IRA Rollovers. Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth 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. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

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](http://irs.gov).

ii. Traditional IRA-to-Roth IRA Conversions. If you convert to a Roth IRA, the amount of the conversion from your Traditional 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 Traditional 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 Traditional IRA.

iii. SIMPLE IRA-to-Roth IRA Conversions. You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. 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.

iv. Rollovers of Roth Elective Deferrals. Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.

v. Employer-Sponsored Retirement Plan-to-Roth IRA Rollovers. You may roll over, directly or indirectly, any eligible rollover distribution from an eligible employer-sponsored retirement plan to your Roth IRA. 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, or the cost of life insurance coverage.

If you are conducting an indirect rollover, your eligible rollover distribution generally must be rolled over to your Roth 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.

If you are a spouse or non spouse beneficiary of a deceased employer-sponsored retirement plan participant, or the trustee of an eligible type of trust named as beneficiary of such 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 Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.

- vi. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse beneficiary, non spouse beneficiary, or the trustee of an eligible type of trust named as beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA, as permitted by the IRS. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
- vii. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.
- viii. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution 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.
- ix. **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.
- x. **Qualified Tuition Program to Roth IRA.** Beginning in 2024, funds from a qualified tuition program of a designated beneficiary that has been maintained for 15 or more years may be paid in a direct trustee-to-trustee transfer to a designated beneficiary's Roth IRA if the funds have been in the qualified tuition program for at least five years. The designated beneficiary must be eligible to make a Roth IRA contribution and the amount of the rollover counts toward the Roth IRA contribution limit for the year. The total that a designated beneficiary may roll over from a qualified tuition program during his or her lifetime may not exceed \$35,000.
- xi. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

#### K. 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 Roth 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 Roth 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 Roth 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 Roth 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 Roth 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).

- L. **Transfer Due to Divorce** – If all or any part of your Roth 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 Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth 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 Roth IRA to another.
- M. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made. You may not recharacterize a Roth IRA conversion or an employer-sponsored retirement plan rollover.

#### **4. Limitations and Restrictions**

- A. **Spousal Roth IRA** – If you are married and have compensation for the taxable year for which the contribution is made, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$14,000 for 2024. 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 Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

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 Roth IRA. The maximum additional contribution is \$1,000 per year. This amount is subject to possible cost-of-living adjustments each year beginning in 2024.

- B. **Gift Tax** – Transfers of your Roth 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 Roth IRA distributions.
- D. Prohibited Transactions – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. Pledging – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.

## 5. Other

- A. IRS Plan Approval – Articles I through VIII of the agreement used to establish this Roth 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 Roth 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 Roth 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 Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.
- E. Qualified Charitable Distributions – If you are age 70½ or older, you may be eligible to take tax-free Roth IRA distributions of up to \$105,000 per year if the distributions are paid directly to certain charitable organizations. This amount is subject to possible cost-of-living adjustments each year. A qualified charitable distribution also includes a one-time charitable distribution of up to \$53,000 to a split interest entity (i.e., charitable gift annuity, charitable remainder unitrust, and charitable remainder annuity trust). This amount is also subject to possible annual cost-of-living adjustments. Special tax rules may apply. For further detailed information and effective dates 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).
- F. 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 Roth 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 Roth 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).

- G. 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.



## Roth IRA Financial Disclosure Statement

Altruist Financial LLC  
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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.

- 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.
- 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.
- 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.
- 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.
- 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.