
THE Wealth Builder IRA

INDIVIDUAL RETIREMENT PACKAGE: TRADITIONAL



WEALTH BUILDER IRA:

A safe, smart way to secure your retirement

It's never too early to begin saving for your retirement. The sooner you start, the more income you will have for your retirement years.

The Wealth Builder IRA features a great rate that is higher than that of a savings account and your IRA funds won't be locked in a time deposit.

The Wealth Builder IRA is a tiered-rate savings account designed specifically to build your retirement wealth. As your account balance increases, it will advance to the next tier earning a higher interest rate. Best of all, you can start a Wealth Builder IRA with as little as \$50. Contributions may be made as frequently as you like, and in any amount as long as the total contributions do not exceed the limit set by the IRS.

Our rates are competitive, compounded daily, and an Arundel Federal Savings Bank Wealth Builder IRA is FDIC insured up to \$250,000.

Open a Wealth Builder IRA and start building your retirement today.

Wealth Builder IRA FAQs

May I make an IRA contribution if I don't work?

You must have earned income in the same year for which you make your contribution.

Is there a limit to how much I may contribute?

\$5,500 is the contribution limit for 2017. If you are age 50 and older you may make a "catch-up contribution" of \$1,000, bringing your contribution limit for 2017 up to \$6,500.

May I contribute to a traditional IRA and a Roth IRA for the same tax year?

Yes, if eligible, you may contribute to both as long as the combined amount of the contributions does not exceed the maximum annual limit.

What is the difference between a traditional IRA and a Roth IRA?

Contributions made to a traditional IRA may be tax-deductible. Contributions made to a Roth IRA are never tax-deductible, but if certain conditions are met, earnings are tax-free.

Are there any age limits for making IRA contributions?

With a traditional IRA, the year you turn 70 ½ you may no longer make contributions. With a Roth IRA, as long as you have earned income there is no age restriction.

When do I have to start withdrawing from my IRA?

In the year of your 70 ½ birthday, with a traditional IRA, you must begin taking minimum required distributions from your IRA. If your IRA is a Roth, you will not be required to take distributions at any age.

For more information, go to the IRA website at [IRS.gov/publications](https://www.irs.gov/publications) and see Publication 590, Individual Retirement Arrangements.

For specific tax information, please consult with your accountant or tax advisor.

1-2-3 Wealth Builder IRA Instructions

1. How do I open my Wealth Builder IRA?

- You must have a checking or savings account with Arundel Federal Savings Bank to open a Wealth Builder IRA. Our Goal Maker Savings only requires \$5 to open and offers a seasonal promotional rate!
- Complete the IRA **Application to Participate** for the Wealth Builder IRA plan you wish to open
 - Select Roth or Traditional
 - Please read and retain for your records the disclosure statement
- Complete the **Wealth Builder IRA Funding Authorization** form
- Your Wealth Builder IRA account will be opened on the same business day we receive all the required documents

2. My Funding Options for Wealth Builder IRA

Initial Funding:

- Check
- Transfer from your Arundel Federal savings or checking account

Future Funding:

- Automatic recurring transfer from your Arundel Federal savings or checking account
- Arundel Federal Online Banking
 - You can transfer funds at will, or you can set up recurring transfer
- In person at a branch office
- Check
- One-time or recurring external transfer from another financial institution
 - Or transfer from an existing Arundel Federal IRA
- Transfer from another IRA held at a different financial institution (trustee to trustee transfer)
- Direct rollover from a qualified retirement plan- contact your plan administrator

3. What Next?

Return the following by mail to the address below, or return to the branch office nearest you:

- The completed application, signed and dated
- The completed Funding Authorization form, signed and dated
- A check for your initial contribution (unless funding by alternative method)

ARUNDEL FEDERAL SAVINGS BANK
ATTN: IRA SPECIALIST
655 CRAIN HWY S
GLEN BURNIE MD 21061-3856

A welcome package with additional information will be mailed to you.

Thank you for choosing Arundel Federal Savings Bank for your IRA needs.

**Traditional
IRA**

Individual Retirement Account

and Disclosure Statement

IRS Form 5305-A (Custodial)

Congratulations

By establishing a Traditional IRA, you have taken an important step toward saving taxes and building a more secure future for your retirement. The earnings and/or investment gain accumulate tax-deferred until distributed. This means you pay no federal income tax on your Traditional IRA earnings and/or investment gain until you withdraw your funds.

You do not have to contribute every year. However, we urge you to make additional contributions. Remember, your Traditional IRA means real tax savings to you . . . the more you deposit, the more money you'll have for your retirement.

This booklet, containing your Traditional IRA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to your Traditional IRA.

Thank you for allowing us to maintain your Traditional IRA. We're here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

Application to Participate

This Traditional IRA booklet contains two copies of the Application to Participate (printed on carbonless paper). The top copy is perforated, and after completion, is removed for the organization's files. The duplicate copy remains as a permanent part of this booklet for your records.

The Application is used to record all of the participant information necessary to establish the Traditional IRA. It is important that all of the information be completed.

Traditional Individual Retirement Custodial Account Agreement

This is the legal document that defines the Internal Revenue Service's rules and regulations for Traditional IRAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes your Traditional IRA with our organization.

Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this Traditional IRA. It is easy to understand, because it's written in layman's language. Explanations are separated by headings that help you locate specific rules about your Traditional IRA.

IRA: Traditional SEP

APPLICATION TO PARTICIPATE

IRA Holder Information		Check if Amendment <input type="checkbox"/>
Name	Social Security Number	Date of Birth
Address	Primary Phone Number	Secondary Phone Number
City/State/Zip	Sex (Male or Female)	E-mail Address

Deposit Information		
Type of Deposit:	<input type="checkbox"/> Regular or Spousal, for tax year _____ <input type="checkbox"/> Recharacterization	<input type="checkbox"/> Rollover <input type="checkbox"/> SEP, for tax year _____ <input type="checkbox"/> Transfer from another IRA <input type="checkbox"/> Other _____
Amount of Deposit: \$ _____		

Beneficiary Information			
Primary Beneficiary		<input type="checkbox"/> Primary Beneficiary <input type="checkbox"/> Contingent Beneficiary	
Name	Relationship	Name	Relationship
Social Security Number/Tax I.D. Number	Date of Birth	Social Security Number/Tax I.D. Number	Date of Birth
Address		Address	
City/State/Zip		City/State/Zip	
<input type="checkbox"/> Primary Beneficiary <input type="checkbox"/> Contingent Beneficiary		<input type="checkbox"/> Primary Beneficiary <input type="checkbox"/> Contingent Beneficiary	
Name	Relationship	Name	Relationship
Social Security Number/Tax I.D. Number	Date of Birth	Social Security Number/Tax I.D. Number	Date of Birth
Address		Address	
City/State/Zip		City/State/Zip	

I, the undersigned IRA Owner, hereby designate the above as my beneficiary(ies). If primary or contingent is not indicated, or if both primary and contingent is indicated for any beneficiary, primary will be assumed. Unless otherwise requested herein, each payment made pursuant to this designation: (a) shall be paid in equal shares to the primary beneficiary(ies) who are living at the time of my death; or (b) if no primary beneficiary(ies) shall be living at the time of my death, such payment shall be made in equal shares to the contingent beneficiary(ies) who are then living. I have the right to change this designation at any time.

Spousal consent (for use in community or marital property states): I agree to my spouse's naming a primary beneficiary other than myself. I transfer (transmute) any community property interest I have in this IRA into the separate property of my spouse. I agree to seek the advice of a legal or tax professional, as needed.

Signature of Spouse	Date
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Revocation	Name and Address of Custodian
This IRA may be revoked within seven days of the date of its establishment. See the Disclosure Statement for more information. Such revocation may be made only by written notice mailed or delivered to:	Arundel Federal Savings Bank 655 Crain Hwy S. Glen Burnie, Maryland 21061-3856
Name of Financial Organization	
Arundel Federal Savings Bank	
Address	
655 Crain Hwy S.	Contact Person
City/State/Zip	IRA Specialist
Glen Burnie, Maryland 21061-3856	Phone Number
	410-768-7800

Adoption and Acknowledgement			
This Application to Participate is made part of the Individual Retirement Account. I acknowledge receipt of the IRA Agreement establishing my IRA, the Disclosure Statement, and a copy of this Application to Participate. I certify that, to the best of my knowledge, the information provided on this form is true and correct, and it may be relied on by the Custodian. I agree to seek the advice of a legal or tax professional, as needed. The Custodian has not provided me with any legal or tax advice, and I assume full responsibility for this transaction. I will not hold the Custodian liable for any adverse consequences that may result from this transaction.			
Signature of IRA Holder	Date	Signature of Custodian	Date

Traditional Individual Retirement Custodial Account

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

Introduction

The Depositor named on the Application to Participate is establishing a Traditional Individual Retirement Account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian named on the Application to Participate has given his or her disclosure statement required under Regulations section 1.408-6. The Depositor has assigned the custodial account the sum indicated on the Application to Participate in cash.

The Depositor and the Custodian make the following agreement:

ARTICLE I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the Custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

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

ARTICLE III

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

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

ARTICLE IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.

2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:

(a) A single sum or

(b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.

3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:

(a) If the Depositor dies on or after the required beginning date and:

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

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

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

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

(i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (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 (ii) below if there is no such designated beneficiary.

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

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

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

(a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.

(b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in paragraphs 3(a) and 3(b)(i).

(c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

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

ARTICLE V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.

2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

1. **Amendments**—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

2. **Responsibilities**—The Custodian shall receive all contributions, shall make distributions and pay benefits from the custodial account, shall file such statements or reports as may be required, and do other things as may be required of a Traditional IRA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the custodial account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this agreement and no responsibility for the administration of the custodial account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this Traditional IRA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this IRA comply with the laws or regulations, or this Custodial Agreement. The Custodian is not responsible for timely paying the required minimum distribution. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

3. **Resignation, Removal and Appointment of Custodian**—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the Traditional IRA, the resigning Custodian has the right to appoint a successor Custodian of the IRA or, at its sole discretion, the resigning Custodian may transfer the Traditional IRA to a successor Custodian or distribute the Traditional IRA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the Traditional IRA.

4. **Applicable Law**—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 shall govern.

5. **Severability**—If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

General Instructions

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

Purpose of Form

Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (Traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian and must be completed no later than the due date of the individual's income tax return for the tax year (excluding extensions). 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-A with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see **Pub. 590**, 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.

Identifying Number

The Depositor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

Traditional IRA for Nonworking Spouse

Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse.

Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

Specific Instructions

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

Article VIII. Article VIII and any that follow it may incorporate additional provisions that are agreed to by the 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.

Traditional Individual Retirement Custodial Account Disclosure Statement

Introduction

This disclosure statement describes the statutory and regulatory provisions applicable to the operation and tax treatment of your Traditional Individual Retirement Account (Traditional IRA). It is intended to provide you with a clear explanation of the rules governing your Traditional IRA. Please review the disclosure carefully.

Because of the complexity of the rules, particularly those relating to eligibility, active participation, contributions, adjusted gross income, rollovers, correction of contributions, required minimum distributions, possible tax implications, and other matters, you should consult with your own tax advisor if you have any questions about this material. Additional information concerning Traditional IRAs can be obtained from any district office of the Internal Revenue Service (IRS).

Revocation of Account

Procedure. IRS regulations require that this disclosure statement be given to you at least seven days before the account is established, or on the date the account is established if you may revoke the account within at least seven days after it is established. The Traditional IRA described in this statement provides for delivery of the required disclosure statement at the time the Traditional IRA is established. Accordingly, you are entitled to revoke your Traditional IRA for any reason within seven days after the date it is established. Such revocation may be made only by written notice mailed or delivered to the person and the Financial Institution at the address indicated in the Revocation box on your Application to Participate. If mailed, your revocation notice shall be deemed mailed on the date of the postmark if deposited in the mail in the United States in an envelope or other appropriate wrapper with first-class postage prepaid. If sent by registered or certified mail, the date of registration or certification will be the date on which it is deemed mailed. Upon revocation within the seven-day period, you are entitled to a return of the entire amount paid into your Traditional IRA without adjustment for administrative expenses, penalties, commissions or fluctuations in market value.

If you have any questions concerning a revocation of your Traditional IRA, please call the Custodian's contact person at the phone number indicated on your Application to Participate.

Qualifications

The Traditional IRA. A custodial Traditional IRA is a custodial account organized in the United States that allows certain eligible individuals to accumulate funds for retirement under favorable tax conditions. If your Traditional IRA is qualified under the Internal Revenue Code, contributions to it may be deductible from your gross income, and your Traditional IRA (including earnings) is exempt from taxation until distribution occurs, unless it ceases to be a Traditional IRA because you or your beneficiary engage in a prohibited transaction.

Qualified Custodial Account. This Individual Retirement Custodial Account uses the precise language of Form 5305-A provided by the IRS (including any additional language permitted by such form) and is treated as approved. IRS approval represents a determination as to form and not to the merits thereof.

Eligibility. Any individual who has compensation, defined to include salaries, wages, taxable alimony, professional fees, self-employment income and other income for personal services included in gross income, may contribute to a Traditional IRA under this plan—except one who will attain age 70½ before the end of the current tax year. This includes an individual who is a participant in an employer's retirement plan or a government pension plan. Income from property, such as dividends, interest, or rent, does not qualify as compensation under the plan. U.S. military personnel whose taxable compensation is reduced because of pay exclusions for combat service may use such excluded pay for the purpose of making a Traditional IRA contribution.

Deductible Contributions

All contributions (other than certain rollover or recharacterization contributions) must be made in cash and are subject to the following limitations:

Regular. Contributions to a Traditional IRA (except for rollovers, recharacterizations, or employer contributions under a simplified employee pension) may not exceed the amount of compensation includible in gross income for the tax year or the applicable dollar amount (defined below), whichever is less. If neither you nor your spouse is an active participant in an employer plan, you may make a contribution up to this limit and take a deduction for the entire amount contributed. If you or your spouse is an active participant and your adjusted gross income (AGI) is below a certain level, you may also make a contribution and take a deduction for the entire amount contributed. However, if you or your spouse is an active participant and your AGI is above a certain level, the dollar limit of the deductible contribution you make to your Traditional IRA may be reduced or eliminated.

You do not have to file an itemized federal tax return to take a Traditional IRA deduction. Contributions for a year may be made during such year, or by the tax return filing date for such year (not including extensions) if irrevocably designated for such year, in writing, when such contribution is made.

If you and your spouse each receive compensation during the year and are otherwise eligible, each of you may establish your own Traditional IRA. The contribution limits apply separately to the compensation of each of you, without regard to the community property laws of your state, if any.

Applicable Dollar Amount. The applicable dollar amount is higher if you are at least age 50 on December 31 of the year for which you are contributing. The applicable dollar amounts are subject to cost-of-living adjustments. For 2012, the applicable dollar amounts are \$5,000 if under age 50 and \$6,000 if age 50 or older.

Spousal. You may make spousal Traditional IRA contributions for a year, if: 1) your spouse has compensation that is includible in gross income for such year; 2) you have less compensation than your spouse for such year; 3) you do not reach age 70½ by the end of such year; and 4) you file a joint federal income tax return for such year.

If you are the higher compensated spouse, your contribution must be made in accordance with the regular contribution rules above. If you are the lower compensated spouse, your contribution may not exceed the lesser of the applicable dollar amount (defined earlier) or 100% of the combined compensation of you and your spouse, reduced by the amount of your spouse's IRA contribution.

Contributions for your spouse must be made to a separate IRA established by your spouse. Your spouse becomes subject to all of the privileges, rules, and restrictions generally applicable to IRAs.

Active Participant. If you are not self-employed, your Form W-2 should indicate your participation status. If you have questions about your participation status, see your employer or your tax advisor. You are an active participant for a year if you are covered by a retirement plan such as a profit sharing plan, money purchase plan, defined benefit plan, certain government plans, a salary-reduction arrangement (such as a SIMPLE plan, a 403(b) plan or a 401(k) plan), a simplified employee pension (SEP), or a plan that promises you a retirement benefit based on the number of years of service you have with the employer.

You are covered by a retirement plan for a year if your employer or union has a retirement plan under which money is added to your account, or you are eligible to earn retirement credits, even if you are not yet vested in your retirement plan. Also, if you make required contributions or voluntary contributions to an employer-sponsored retirement plan, you are an active participant. In certain plans, you may be an active participant even if you were with the employer for only part of the year.

Generally, your Traditional IRA deduction will be subject to limitations for a year if either you or your spouse is an active participant in a retirement plan. However, if you are married, but do not live with your spouse at any time during the year, and you are not filing a joint federal income tax return, you will be treated as a "single" individual for purposes of determining the deductibility of your Traditional IRA contribution.

You are not considered an active participant if you participate in a plan only because of your service as: 1) an Armed Forces Reservist, for less than 90 days of active service; or 2) a volunteer firefighter covered by a government plan for firefighting service, if the accrued benefit at the beginning of the tax year is not more than an annual benefit of \$1,800. Of course, if you are covered in any other plan, these exceptions do not apply.

Adjusted Gross Income (AGI). If you are an active participant or are married to an active participant, the amount of your AGI for the year (if you and your spouse file a joint tax return, your combined AGI) will be used to determine if you can make a deductible Traditional IRA contribution. The instructions for your tax return will show you how to calculate your AGI for this purpose. If you are at or below a certain AGI level, called the Threshold Level, you can make a deductible contribution under the same rules as a person who is not an active participant. This AGI level may change each year, due to cost-of-living adjustments. The instructions for your tax return will provide the AGI level in effect for that year.

For 2012, for example, if you are single, or treated as being single, your AGI Threshold Level is \$58,000. If you are married and file a joint tax return, your AGI Threshold Level is \$92,000. If you are not an active participant, but you file a joint tax return with your spouse who is an active participant, your AGI Threshold Level is \$173,000. If you are married, file a separate tax return, and live with your spouse for any part of the year, your AGI Threshold Level is \$0.

If your AGI is less than \$10,000* above your AGI Threshold Level, you will still be able to make a deductible contribution, but it will be limited in amount. The amount by which your AGI exceeds your AGI Threshold Level (AGI minus AGI Threshold Level) is called your Excess AGI. You may determine your Deduction Limit by using the following formula:

$$\frac{\$10,000^* - \text{Excess AGI}}{\$10,000^*} \times \text{Applicable Dollar Amount} = \text{Deduction Limit}$$

Round the result up to the next higher multiple of \$10 (the next higher whole dollar amount that ends in zero). If the final result is below \$200, but above zero, your Deduction Limit is \$200. Your Deduction Limit cannot exceed 100% of your compensation.

* \$20,000 if you are married, filing jointly.

Simplified Employee Pension (SEP). An employer who establishes a SEP plan will provide each employee with information about eligibility, contributions, and related matters.

Employer-Union. Under section 408(c) of the Internal Revenue Code, to the extent that a union or an employer pays any amount to your Traditional IRA (other than a SEP contribution) such payment constitutes taxable income to you. This amount, however, is deductible from gross income as an amount paid to your Traditional IRA provided that this amount does not exceed the limitations of Regular or Spousal Traditional IRA contributions and provided the deduction is not lost or limited because of active participation in a retirement plan.

Non deductible Contributions

Eligibility. Even if your deduction limit is less than the applicable dollar amount, you may still contribute using the rules in the "Deductible Contributions" section above. The portion of your Traditional IRA contribution that is not deductible will be a nondeductible contribution. You may choose to make a nondeductible Traditional IRA contribution even if you could have deducted part or all of the contribution. Generally, interest or other earnings on your Traditional IRA contribution, whether from deductible or nondeductible contributions, will not be taxed until distributed from your Traditional IRA.

Reporting. If you make a nondeductible contribution to your Traditional IRA, you must report the amount of the nondeductible contribution to the IRS as a part of your tax return for the year. Form 8606 is used for this purpose. You do not have to designate to the Custodian of your Traditional IRA whether your contribution is deductible. Failure to file Form 8606, if required, will result in a \$50 penalty for each failure.

Tax Credits for Traditional IRA Contributions. If you are age 18 or over, and you are not a full-time student or claimed as a dependent on another taxpayer's return, you may be eligible for a nonrefundable tax credit for a Traditional IRA contribution. The credit, which ranges from 10% to 50% of the Traditional IRA contribution (up to \$2,000), is based on your AGI and tax-filing status. The credit is in addition to any deduction that might otherwise apply with respect to the contribution. The amount of any contribution eligible for the credit is reduced by taxable distributions you or your spouse received from IRAs or qualified retirement plans during the taxable year for which the credit is claimed, the two taxable years prior to the year the credit is claimed, and during the period after the end of the taxable year and prior to the due date for filing your tax return for the year.

Recharacterization of Contributions. Generally, if you make a contribution to a Traditional IRA or to a Roth IRA, you may transfer (recharacterize) the contribution plus net income attributable to a Roth IRA or to a Traditional IRA by the applicable date (generally October 15 of the year following the year for which the contribution was made). Such a contribution is treated as though it were made to the receiving plan, and not the original plan.

Rollover Contributions

Introduction. You may be able to roll over a distribution from a workplace retirement plan (WRP), such as a pension plan, profit sharing plan, 401(k) plan, 403(b) plan, the federal thrift savings plan, or a governmental 457 plan, or a Traditional IRA or retirement bond, by depositing the amount within 60 days of receipt of the distribution (unless an exception applies) in another eligible retirement plan, including a Traditional IRA. However, a tax deduction is not allowed for the amount of a rollover contribution to a Traditional IRA. The designation of a contribution as a rollover contribution is irrevocable. Since penalties may apply if ineligible amounts are rolled over, you should consult with a tax advisor if you have any questions.

WRP-to-Traditional IRA Rollovers. Generally, any distribution you are eligible to receive from a WRP (other than a Roth 401(k) or a Roth 403(b)) is an eligible rollover distribution unless it is: (1) a distribution paid in a series of payments over life expectancy, or for a specified period of ten years or more, (2) a required minimum distribution, (3) a hardship distribution, or (4) a death distribution from a decedent other than your spouse. However, if you are a nonspouse beneficiary of a WRP (other than a Roth 401(k) or a Roth 403(b)), you may directly roll over inherited WRP funds to a beneficiary Traditional IRA.

If you are scheduled to receive an eligible rollover distribution over \$200, your employer must allow you to have the assets rolled over directly from the distributing plan to the receiving Traditional IRA or other eligible plan. If you do not choose to have your assets directly rolled over to a Traditional IRA or other eligible plan in this manner, the assets will be paid to you, subject to mandatory federal income tax withholding of 20%. You may then roll over the rollover-eligible amount distributed (including an amount equal to the federal income tax withheld) within 60 days of the date the distribution is received (unless an exception applies).

If you are the surviving spouse of a WRP participant and you receive a distribution of your spouse's assets in a WRP as a result of your spouse's death, or if you are the spouse or former spouse of a WRP participant, and you receive a distribution as a result of a Qualified Domestic Relations Order (QDRO), you may roll over those assets to a Traditional IRA following the same rules that would apply to your spouse or former spouse. The administrator of the WRP is required to provide you with a notice regarding rollover treatment.

Traditional IRA-to-WRP Rollovers. You may withdraw all or any portion of the assets from one Traditional IRA (including this one) and roll over all or any part of the taxable amount of these assets to a WRP that accepts such rollovers. Amounts properly rolled over are not taxed until distributed from the WRP. Any part of the distribution retained by you that represents previously untaxed amounts is subject to ordinary income tax. If you are under age 59½, the amount includable in income will be subject to the early distribution penalty tax of 10 percent.

Traditional IRA-to-Traditional IRA Rollovers. You may withdraw all or any portion of the assets from one Traditional IRA (including this one) and roll over all or any part of these assets to a Traditional IRA. If the withdrawal includes property (anything other than cash), the property may not be converted to cash for rollover purposes. The actual property received may generally be rolled over. Any part of the distribution retained by you that represents deductible contributions or earnings is subject to ordinary income tax. Amounts properly rolled over are not taxed until distributed from the rollover Traditional IRA. If you are under age 59½, the amount includable in income will be subject to the early distribution penalty tax of 10%. Only one tax-free rollover from one Traditional IRA to another Traditional IRA is allowed within any one-year period. This limitation does not, however, apply to rollovers of funds between a WRP and a Traditional IRA.

Rollovers After Age 70½. If you attained age 70½ in this or a prior calendar year, and you are rolling over funds, you may not roll over your required minimum distribution for the year. It will be considered an excess contribution in the receiving plan if it is rolled over. The first amounts distributed in a year for which you are required to take a distribution are considered your required minimum distribution until you have received all of your required minimum distribution for the year.

Transfers

Traditional IRA-to-Traditional IRA Transfers. You may transfer all or any portion of the assets from one Traditional IRA (including this one) to another Traditional IRA.

Transfer Incident to Divorce. As part of a divorce decree, property settlement, or agreement of legal separation, all or a portion of an individual's Traditional IRA may be awarded to a spouse or former spouse. The portion awarded to the receiving spouse will be treated as a Traditional IRA for such spouse.

Investment

Investment of Contributions. Contributions to this Traditional IRA are held in a custodial account for your exclusive benefit, or that of your surviving spouse or your beneficiaries who may include your estate, your dependents, or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the custodial account may not be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5) of the Internal Revenue Code). At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof and to certain gold, silver, platinum, and palladium bullion.

Correction of Contributions

You may withdraw a Traditional IRA contribution by the applicable date (generally October 15 of the year following the year for which the contribution was made). To do this, you must also withdraw the net income attributable to the contribution and include the net income attributable as income for the year in which the contribution was made.

Required Distributions

Distributions After Attaining Age 70½. You must begin to receive required minimum distributions (RMDs) for the year in which you reach age 70½ (six months after your 70th birthday). The RMD for your age 70½ year must be paid by April 1 of the year after your age 70½ year. This date is known as the required beginning date (RBD). Distributions for years after your age 70½ year must be taken by December 31 of each year. This includes the distribution for the second year, the year in which the RBD occurs. If the distribution for your age 70½ year is delayed until the second year (not later than April 1), you will be taxed on two distributions in the second year.

Required Minimum Distribution Calculation. In general, your RMD is determined by dividing your Traditional IRA balance by the applicable distribution period. At any time, you may take more than your RMD.

The balance used in the RMD calculation is generally determined as of December 31 of the year before the year for which the distribution is being made. For example, the balance used to calculate a 2012 RMD is the December 31, 2011 balance. There are certain times when the balance will need to be adjusted. For example, if a rollover or transfer is outstanding on the prior December 31, it will need to be added to the December 31 prior-year balance. In addition, if you convert funds to a Roth IRA and you recharacterize all or a portion of those funds back to a Traditional IRA in a subsequent calendar year, the amount recharacterized, including the net income attributable, will need to be added to the December 31 balance of the Traditional IRA for the year in which the funds were converted to the Roth IRA.

In most cases, to determine the applicable distribution period for the year, simply look up your age attained on your birthday in the year for which the distribution is being determined on the Uniform Lifetime Table and find the corresponding distribution period. Then divide your Traditional IRA balance by this number. However, if your spouse is your sole primary beneficiary during the entire distribution calendar year, and your spouse is more than ten years younger than you, instead of using the Uniform Lifetime Table, you may use the recalculated joint life expectancy of you and your spouse to calculate your RMD.

Each year you must satisfy the RMD for every Traditional IRA that you maintain. However, you may determine the amount of your RMD for each Traditional IRA and then withdraw that RMD total from any one or more Traditional IRAs you maintain. You should inform the Custodian in writing if you do not want to receive an RMD from this Traditional IRA for any given year.

Death Benefit Options

Any beneficiary withdrawing funds from your Traditional IRA should first seek the advice of his own tax advisor as to the tax consequences of each option available. The options available to your beneficiary depend on whether you have reached your required beginning date (generally, April 1 of the year following the year you attain age 70½).

Before Required Beginning Date. If you die before your required beginning date, your beneficiary or beneficiaries may elect one of the following options: 1) to receive the balance in the account by December 31 of the fifth year following the year of your death (the five-year rule), or 2) if the designated beneficiary is an individual, the remaining funds may be distributed in accordance with the life-expectancy rule. If the designated beneficiary is your surviving spouse, his single life expectancy is based on his attained age in the year for which the distribution is being paid. The distributions to your surviving spouse must begin by the end of the year you would have attained age 70½, or December 31 of the year following the year of your death, whichever is later. If the designated beneficiary is an individual who is not your surviving spouse, the designated beneficiary's single life expectancy is based on the designated beneficiary's attained age in the year following the year of your death and then reduced by one for each subsequent year thereafter. The distributions must begin by December 31 of the year following the year of your death. If the designated beneficiary is not a person (e.g., an estate, a charity, or other non-person), that beneficiary is not considered a "designated beneficiary" and, thus, the five-year rule is the only death distribution option.

On or After Required Beginning Date. If you die on or after your required beginning date, and you had taken your RMD for the year of your death, your beneficiary may, but is not required to, take a distribution in the year of your death. If you die on or after your required beginning date, and you had not taken your RMD for the year of your death, your beneficiary must take an amount equal to, or in excess of, the amount of your RMD for the year of your death that you did not take prior to death.

For years after the year of your death, your beneficiary must continue to receive a death distribution each year until the Traditional IRA is depleted. The amount of the death distribution for each year after the year of your death is determined by dividing the value in your Traditional IRA each year by the appropriate single life expectancy factor, depending on who is your designated beneficiary.

If your designated beneficiary is your surviving spouse, the appropriate single life expectancy factor is the longer of: the single life expectancy factor, based on your spouse's attained age on his birthday each year, or the single life expectancy factor determined using your attained age on your birthday in the year of your death, and reduced by one each year thereafter.

If your designated beneficiary is an individual who is not your surviving spouse, the appropriate single life expectancy factor is the longer of: the single life expectancy factor determined using the designated beneficiary's attained age on his birthday in the year following the year of your death, and reduced by one each year thereafter, or the single life expectancy factor determined using your attained age on your birthday in the year of your death, and reduced by one each year thereafter.

If you do not have a designated beneficiary or if your designated beneficiary is not an individual, the appropriate single life expectancy factor is the single life expectancy factor determined using your attained age on your birthday in the year of your death, and reduced by one each year thereafter.

Additional Options Available to the Surviving Spouse. In addition to the options available above, your surviving spouse beneficiary may elect to treat his or her interest in your Traditional IRA as his or her own Traditional IRA. The result of such an election is that the surviving spouse will then be considered the Traditional IRA owner. The election may be made by your surviving spouse redesignating the Traditional IRA in his or her own name as the Traditional IRA owner, rather than the beneficiary. The election will be deemed to have been made if either of the following occurs: 1) your surviving spouse does not receive a required death distribution in any calendar year following the year of your death, or 2) any additional amounts are contributed to the account by your surviving spouse.

Tax Treatment of Distributions

Federal Income Tax. Generally, distributions from a Traditional IRA are taxable to the recipient at ordinary income tax rates. However, if this Traditional IRA, or any other IRA other than a Roth IRA, contains previously taxed funds, such as nondeductible contributions or a rollover of after-tax funds from a WRP, most distributions from your Traditional IRA will consist of a nontaxable portion (e.g., return of nondeductible contributions) and a taxable portion (e.g., return of deductible contributions, if any, and account earnings).

If you convert a Traditional IRA distribution to a Roth IRA, the taxable portion of the Traditional IRA distribution is included in your income for the year in which the Traditional IRA distribution is received, but the amount is not subject to the IRS 10% early distribution penalty.

Reporting. If you receive a distribution from your Traditional IRA that includes a nontaxable portion, you must file Form 8606 with your tax return to determine the nontaxable portion of your distribution. Failure to file Form 8606, if required, will result in a nondeductible penalty of \$50 for each failure.

Federal Income Tax Withholding. Amounts distributed from a Traditional IRA are subject to federal income tax withholding unless you or your beneficiary elect in writing not to have tax withholding apply. Once the election is made, it applies to all future distributions until all of the funds are distributed from the Traditional IRA, or until the election is revoked or a new election is filed with the Custodian. The amount to be withheld from a distribution is determined without regard to whether all or a portion of the distribution represents the return of nondeductible contributions.

Federal Estate and Gift Tax. The full value of your Traditional IRA is includible in your estate for federal estate tax purposes. Exercise of an option whereby an annuity or other payment becomes payable to any beneficiary is not considered a transfer for federal gift tax purposes.

Transactions Subject to Excise Taxes/Disqualification

Early Distribution Tax. Generally, the taxable portion of funds withdrawn from your Traditional IRA prior to the date you attain age 59½ are subject to the IRS 10% early distribution penalty tax. Exceptions to this penalty tax include: payments on account of your death, certain disability payments, a permissible series of systematic distributions over your single or joint life expectancy, distributions that do not exceed the amount of medical expenses that would be deductible as an itemized federal income tax deduction for the year, or distributions that do not exceed the amount you paid, during the year of the distribution, for health insurance for yourself, your spouse, or your dependents, if you have received unemployment compensation for 12 consecutive weeks in the year of the distribution or the immediately preceding year. This exception to the IRS 10% early distribution penalty shall not apply to any distribution made after you have been employed for at least 60 days after the separation from employment that entitled you to receive such unemployment compensation. In addition, the IRS 10% early distribution penalty does not apply to a Traditional IRA distribution (up to a lifetime limit of \$10,000) used to acquire a principal residence for you, your spouse, or any child, grandchild, or ancestor of you or your spouse, if such home buyer had no ownership interest in a principal residence during the two-year period prior to such home purchase. The IRS 10% early distribution penalty also does not apply to a Traditional IRA distribution that does not exceed your higher education expenses for the year for education provided to you, your spouse, or any child or grandchild of you or your spouse or to a distribution paid to satisfy an IRS levy. If you have served as a member of the military reserves, the IRS 10% early distribution penalty will not apply to qualified reservist distributions (QRDs) from your IRA. To qualify, you must have been called to active duty after September 11, 2001 for more than 179 days, or for an indefinite period. To qualify for a QRD, you must take the distribution while on active duty. You also may redeposit a QRD within two years after the end of your active duty.

Prohibited Transactions. The plan prohibits you, your spouse, or beneficiaries from engaging in a prohibited transaction (within the meaning of the Internal Revenue Code section 4975) with respect to the Traditional IRA. In addition, the Custodian or any other disqualified party may not engage in a prohibited transaction with respect to the Traditional IRA. If such a transaction is engaged in, the Traditional IRA will cease to be qualified, and will lose its exemption from taxation. The full Traditional IRA balance will be treated as having been distributed to you, subject to the income and penalty taxes discussed above.

Penalty for Using Plan Assets as Security for Loans. If you use all or any portion of your interest in the Traditional IRA as security for a loan, the portion of the Traditional IRA so used will be treated as if it were distributed to you, subject to the income and penalty taxes discussed above. As a result, this Traditional IRA specifically prohibits pledging the Traditional IRA assets as security for a loan.

Penalty for Borrowing Traditional IRA Assets. If you borrow money from your Traditional IRA, it will cease to be a Traditional IRA as of the first day of the tax year in which the loan was made. Disqualification of the account triggers a constructive distribution to you equal to the fair market value of all of the assets of the account as of the first day of such tax year and will be subject to the income and penalty taxes discussed above.

Penalty for Excess Contributions. An “excess contribution” is a Traditional IRA contribution that exceeds the maximum amount allowed to be contributed to a Traditional IRA for that tax year. An IRS penalty tax equal to 6% of the amount of the excess contribution is imposed on an excess contribution as of the close of any tax year. The penalty may be avoided if you withdraw the excess contribution from your Traditional IRA before the applicable date (generally October 15 of the year following the year for which the contribution was made). The net income at-

tributable to the excess contribution must also be withdrawn and included in your gross income for the year in which the excess contribution was made. Withdrawals of an excess contribution after the applicable date will not avoid imposition of the 6% penalty for previous years, but will avoid that penalty for the current and future years. When such a delayed withdrawal of an excess contribution is made, if you have not reached age 59½ and are not disabled, and either the aggregate contributions for the tax year for which the excess contribution was made exceeded the applicable dollar limit in effect for the year of the contribution (or \$2,250 for tax years before 1997), or a deduction was allowed for the amount withdrawn, that amount will be includible in taxable income and will be subject to the IRS early distribution penalty tax of 10%. If an excess contribution is attributable to a rollover made because of erroneous tax information supplied by an employer, upon which you reasonably relied, such excess may be removed after the applicable date, without being subject to income tax and without incurring the 10% penalty even though the applicable dollar limit for the year was exceeded. If not withdrawn, the excess contribution may be applied against the permissible contribution limit in a subsequent year.

Penalty for Excess Accumulations. After you reach age 70½ or die, if the required minimum distributions described in the sections titled “Required Distributions” or “Death Benefit Options” do not occur within the time required by law, a penalty tax may be incurred equal to 50% of the difference between the amount required to be distributed and the amount actually distributed each year. The Secretary of the Treasury may waive the penalty if the inadequate distribution is due to reasonable error and reasonable steps are being taken to correct the situation.

Taxpayer Reporting for Excise Tax/Disqualification. If a transaction has occurred for which a penalty tax is imposed, such as an excess contribution or an excess accumulation, you may be required by the Internal Revenue Service to attach Form 5329 to your federal income tax return.

Financial Disclosure

Projection of Future Balance. The balance in an individual retirement account increases as a direct result of both the level of contribution and the investment return. The tables on the next page provide a projection of the amount of money that would be available for withdrawal from your Traditional IRA if a projection can be reasonably made. *These amounts are projections only and do not necessarily reflect the amounts that you could withdraw in all events at the end of each year. The rate of interest payable on the investments is subject to change for the duration of the Traditional IRA and cannot be guaranteed at a constant rate.*

Time Deposit Account. If your contributions are invested in a fixed-term time deposit account, early withdrawal penalties could be imposed if your funds were withdrawn prior to the maturity of the account. The penalties would affect the amount of money that would be available if your funds were withdrawn from your Traditional IRA. The tables on the next page project the accumulated balance without penalty as well as the amount of money that would be available if a 1-, 3-, or 6-month early withdrawal penalty were imposed on the entire amount withdrawn. The penalty may vary on the term of the account and the early withdrawal policy in effect at the time the account is established or renewed. You will be provided with the rules for each time deposit account in which your Traditional IRA funds are invested.

Variable Rate Account. If your Traditional IRA funds are invested in a variable rate account in which the rate of return is frequently adjusted, the projected value of your Traditional IRA in future years cannot be reasonably made. The growth in the value of your Traditional IRA is neither guaranteed nor projected. You will receive the appropriate rules for the account which state the method for computing and allocating account earnings, a description of each type of charge, and the amount thereof, that may be made against the account, and the method used in computing the penalties.

Custodial Fees. The Custodian may charge reasonable fees for administering the Custodial Account, preparing reports, keeping records, and other services. Such fees may include, but are not limited to, opening fees, administration fees, transaction fees, transfer fees, closing fees, and investment commissions. The Custodian may also charge the Custodial Account the reasonable costs of fiduciary insurance, counsel fees, and reasonable compensation for its services as Custodian. Such fees, if any, may be: 1) charged directly to and deducted from the Custodial Account, and would reduce the account value of this Traditional IRA, or 2) billed directly to you. If the Custodian has a fee policy at the time this Traditional IRA is established, the Custodian will provide a separate fee schedule to you. The Custodian will give you at least 30 days prior notice before imposing a new fee or changing an existing fee.

If the fee will be deducted from the Custodial Account, either Method 2 on the next page will be completed or a separate financial projection will be attached and made part of this Disclosure Statement. Method 1, on the next page, assumes that either there is no custodial fee, or custodial fees are billed directly to you.

Projection of Future Balance (Use Method 1 or Method 2)

Method 1

Regular Traditional IRA Projection

This table has been prepared assuming that you will make level annual contributions of \$1,000 on the first day of each year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year you start making contributions to your Traditional IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$21,232.55 at age 60, \$26,353.94 at age 65, and \$31,501.00 at age 70.

Account Values

Number of Years	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty
1	\$1,001.00	\$1,000.92	\$1,000.75	\$1,000.50
2	\$2,003.00	\$2,002.83	\$2,002.50	\$2,002.00
3	\$3,006.00	\$3,005.75	\$3,005.25	\$3,004.50
4	\$4,010.01	\$4,009.68	\$4,009.01	\$4,008.01
5	\$5,015.02	\$5,014.60	\$5,013.77	\$5,012.52
6	\$6,021.04	\$6,020.53	\$6,019.53	\$6,018.03
7	\$7,028.06	\$7,027.47	\$7,026.30	\$7,024.55
8	\$8,036.08	\$8,035.42	\$8,034.08	\$8,032.07
9	\$9,045.12	\$9,044.37	\$9,042.86	\$9,040.60
10	\$10,055.17	\$10,054.33	\$10,052.65	\$10,050.14
11	\$11,066.22	\$11,065.30	\$11,063.46	\$11,060.69
12	\$12,078.29	\$12,077.28	\$12,075.27	\$12,072.25
13	\$13,091.37	\$13,090.28	\$13,088.10	\$13,084.33
14	\$14,105.46	\$14,104.28	\$14,101.93	\$14,098.41
15	\$15,120.56	\$15,119.30	\$15,116.79	\$15,113.01
16	\$16,136.68	\$16,135.34	\$16,132.65	\$16,128.62
17	\$17,153.82	\$17,152.39	\$17,149.53	\$17,145.25
18	\$18,171.97	\$18,170.46	\$18,167.43	\$18,162.90
19	\$19,191.14	\$19,189.55	\$19,186.35	\$19,181.56
20	\$20,211.34	\$20,209.65	\$20,206.29	\$20,201.24
21	\$21,232.55	\$21,230.78	\$21,227.24	\$21,221.94
22	\$22,254.78	\$22,252.93	\$22,249.22	\$22,243.61
23	\$23,278.03	\$23,276.10	\$23,272.22	\$23,266.41
24	\$24,302.31	\$24,300.29	\$24,296.24	\$24,290.17
25	\$25,327.62	\$25,325.51	\$25,321.29	\$25,314.96
26	\$26,353.94	\$26,351.75	\$26,347.36	\$26,340.78
27	\$27,381.30	\$27,379.02	\$27,374.46	\$27,367.62
28	\$28,409.68	\$28,407.31	\$28,402.58	\$28,395.49
29	\$29,439.09	\$29,436.64	\$29,431.74	\$29,424.38
30	\$30,469.53	\$30,466.99	\$30,461.92	\$30,454.31
31	\$31,501.00	\$31,498.37	\$31,493.13	\$31,485.26
32	\$32,533.50	\$32,530.79	\$32,525.37	\$32,517.25
33	\$33,567.03	\$33,564.24	\$33,558.65	\$33,550.26
34	\$34,601.60	\$34,598.72	\$34,592.96	\$34,584.31
35	\$35,637.20	\$35,634.23	\$35,628.30	\$35,619.40
36	\$36,673.84	\$36,670.78	\$36,664.68	\$36,655.52
37	\$37,711.51	\$37,708.37	\$37,702.09	\$37,692.67
38	\$38,750.22	\$38,747.00	\$38,740.54	\$38,730.87
39	\$39,789.97	\$39,786.66	\$39,780.03	\$39,770.10
40	\$40,830.76	\$40,827.36	\$40,820.56	\$40,810.37
41	\$41,872.59	\$41,869.11	\$41,862.14	\$41,851.68
42	\$42,915.47	\$42,911.89	\$42,904.75	\$42,894.03
43	\$43,959.38	\$43,955.72	\$43,948.40	\$43,937.42
44	\$45,004.34	\$45,000.59	\$44,993.10	\$44,981.86
45	\$46,050.34	\$46,046.51	\$46,038.84	\$46,027.34
46	\$47,097.39	\$47,093.47	\$47,085.63	\$47,073.87
47	\$48,145.49	\$48,141.48	\$48,133.47	\$48,121.44
48	\$49,194.64	\$49,190.54	\$49,182.35	\$49,170.07
49	\$50,244.83	\$50,240.65	\$50,232.28	\$50,219.74
50	\$51,296.08	\$51,291.81	\$51,283.27	\$51,270.45
51	\$52,348.37	\$52,344.02	\$52,335.30	\$52,322.23
52	\$53,401.72	\$53,397.28	\$53,388.38	\$53,375.05

Rollover Traditional IRA Projection

This table has been prepared assuming the initial and only contribution to your Traditional IRA is a rollover of \$1,000 on the first day of the year, with an annual percentage yield of 0.1%. For example, if you attain age 40 in the year in which you roll over \$1,000 to your Traditional IRA, you will have been in the plan 21 years at the end of the year in which you attain age 60, 26 years at age 65, and 31 years at age 70. Using the assumptions stated above, you can read across the table and see that your account value without penalty would be \$1,021.21 at age 60, \$1,026.33 at age 65, and \$1,031.47 at age 70.

Account Values

Number of Years	No Penalty	1-Month Penalty	3-Month Penalty	6-Month Penalty
1	\$1,001.00	\$1,000.92	\$1,000.75	\$1,000.50
2	\$1,002.00	\$1,001.92	\$1,001.75	\$1,001.50
3	\$1,003.00	\$1,002.92	\$1,002.75	\$1,002.50
4	\$1,004.01	\$1,003.92	\$1,003.76	\$1,003.50
5	\$1,005.01	\$1,004.93	\$1,004.76	\$1,004.51
6	\$1,006.02	\$1,005.93	\$1,005.76	\$1,005.51
7	\$1,007.02	\$1,006.94	\$1,006.77	\$1,006.52
8	\$1,008.03	\$1,007.94	\$1,007.78	\$1,007.52
9	\$1,009.04	\$1,008.95	\$1,008.78	\$1,008.53
10	\$1,010.05	\$1,009.96	\$1,009.79	\$1,009.54
11	\$1,011.06	\$1,010.97	\$1,010.80	\$1,010.55
12	\$1,012.07	\$1,011.98	\$1,011.81	\$1,011.56
13	\$1,013.08	\$1,012.99	\$1,012.83	\$1,012.57
14	\$1,014.09	\$1,014.01	\$1,013.84	\$1,013.58
15	\$1,015.11	\$1,015.02	\$1,014.85	\$1,014.60
16	\$1,016.12	\$1,016.04	\$1,015.87	\$1,015.61
17	\$1,017.14	\$1,017.05	\$1,016.88	\$1,016.63
18	\$1,018.15	\$1,018.07	\$1,017.90	\$1,017.65
19	\$1,019.17	\$1,019.09	\$1,018.92	\$1,018.66
20	\$1,020.19	\$1,020.11	\$1,019.94	\$1,019.68
21	\$1,021.21	\$1,021.13	\$1,020.96	\$1,020.70
22	\$1,022.23	\$1,022.15	\$1,021.98	\$1,021.72
23	\$1,023.25	\$1,023.17	\$1,023.00	\$1,022.74
24	\$1,024.28	\$1,024.19	\$1,024.02	\$1,023.77
25	\$1,025.30	\$1,025.22	\$1,025.05	\$1,024.79
26	\$1,026.33	\$1,026.24	\$1,026.07	\$1,025.81
27	\$1,027.35	\$1,027.27	\$1,027.10	\$1,026.84
28	\$1,028.38	\$1,028.30	\$1,028.12	\$1,027.87
29	\$1,029.41	\$1,029.32	\$1,029.15	\$1,028.90
30	\$1,030.44	\$1,030.35	\$1,030.18	\$1,029.92
31	\$1,031.47	\$1,031.38	\$1,031.21	\$1,030.95
32	\$1,032.50	\$1,032.42	\$1,032.24	\$1,031.99
33	\$1,033.53	\$1,033.45	\$1,033.28	\$1,033.02
34	\$1,034.57	\$1,034.48	\$1,034.31	\$1,034.05
35	\$1,035.60	\$1,035.52	\$1,035.34	\$1,035.08
36	\$1,036.64	\$1,036.55	\$1,036.38	\$1,036.12
37	\$1,037.67	\$1,037.59	\$1,037.41	\$1,037.16
38	\$1,038.71	\$1,038.63	\$1,038.45	\$1,038.19
39	\$1,039.75	\$1,039.66	\$1,039.49	\$1,039.23
40	\$1,040.79	\$1,040.70	\$1,040.53	\$1,040.27
41	\$1,041.83	\$1,041.74	\$1,041.57	\$1,041.31
42	\$1,042.87	\$1,042.79	\$1,042.61	\$1,042.35
43	\$1,043.92	\$1,043.83	\$1,043.65	\$1,043.39
44	\$1,044.96	\$1,044.87	\$1,044.70	\$1,044.44
45	\$1,046.00	\$1,045.92	\$1,045.74	\$1,045.48
46	\$1,047.05	\$1,046.96	\$1,046.79	\$1,046.53
47	\$1,048.10	\$1,048.01	\$1,047.84	\$1,047.57
48	\$1,049.15	\$1,049.06	\$1,048.88	\$1,048.62
49	\$1,050.19	\$1,050.11	\$1,049.93	\$1,049.67
50	\$1,051.24	\$1,051.16	\$1,050.98	\$1,050.72
51	\$1,052.30	\$1,052.21	\$1,052.03	\$1,051.77
52	\$1,053.35	\$1,053.26	\$1,053.09	\$1,052.82

Method 2

The following projection of account values represents the amounts that would be available in your Traditional IRA at the end of each of the first five years and at the end of the years in which you attain ages 60, 65, and 70. These balances are not guaranteed. The actual balances will depend on many factors, including the interest rates and terms of future investments. The following balances, which are only projections, are based on the custodial fees discussed on the previous page, if any, and the following assumptions:

- Regular Traditional IRA: Assuming an annual \$1,000 deposit made on the first day of each year.
- Rollover Traditional IRA: Assuming a one-time \$1,000 deposit made on the first day of the first year.
- Investment annual percentage yield _____
- Penalty for early withdrawal of investment _____

End of year	Account Value	End of year you attain age	Account Value
1	\$ _____		
2	\$ _____	60	\$ _____
3	\$ _____	65	\$ _____
4	\$ _____	70	\$ _____
5	\$ _____		

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Wealth Builder IRA Funding Authorization

Complete this form to let us know how you would like to fund your initial deposit and future contributions to your new Wealth Builder IRA with Arundel Federal Savings Bank.

Initial Funding Options

- Enclose check with Wealth Builder package
- Transfer from your Arundel Federal savings or checking account*

Account number _____ Amount \$ _____

Signature for account transfer Date _____

*Account will be debited when Wealth Builder IRA Funding Authorization form received.

Future Funding Options

- Automatic recurring transfer from your Arundel Federal savings or checking account

Account number _____ Amount \$ _____
Start date _____ Frequency _____

Signature for recurring transfer Date _____

- Transfer from an existing Arundel Federal IRA

An Arundel Federal Savings Bank representative will contact you.

Primary Phone Number: _____

Email Address: _____

- Transfer from another IRA held at a different financial institution (trustee to trustee transfer)

Complete the Transfer Request Form provided in the Wealth Builder package.

- Direct rollover from a qualified retirement plan

Contact your retirement plan administrator to initiate a direct rollover.

