

Roth IRA Financial Disclosure

Deposits to an IRA are invested in a savings account that earns dividends. The accompanying charts project possible growth assuming, as an example, that a dividend rate of 0.10% per annum, compounded monthly, is paid. All values are computed with the assumption that no interim withdrawals are made. The values are only projections and are not guaranteed; however, Navy Federal has never failed to pay dividends at the rates declared in advance.

IRA Savings and Money Market Savings Accounts: Dividends are a division and distribution of earnings among members after all expenses have been paid and the required amount has been set aside for reserves. Dividend rates are declared prospectively by the Board of Directors in the month preceding the dividend period. These prospective dividend rates may change at the determination of the Board. Navy Federal also provides the annual percentage yield (APY) for each dividend rate declared by the Board. Payment of all dividends is, of course, dependent on the availability of earnings at the end of the period. Dividends are earned from day-of-deposit to day-of-withdrawal.

Dividends are computed using the monthly balance method which is applied to the full amount in your account and credited the last calendar day of the month in which they are earned. The dividend period is monthly, beginning the first calendar day of the month and ending the last calendar day of the month. The dividend rate and the annual percentage yield may be obtained by calling Navy Federal toll-free in the U.S. at 1-888-842-6328, or visiting us online at navyfederal.org. Fees and charges that may be assessed are disclosed on Navy Federal's current *Schedule of Fees and Charges*. The first chart projects the cumulative value of an IRA at the end of each of the first five years after establishment of an IRA Savings or IRA Money Market Savings Account. Column A of Charts I and II indicates the projected value of an account assuming an annual contribution of \$1,000 at the beginning of each year. Column B of each chart reflects the projected value assuming a one-time rollover (or transfer) contribution of \$1,000 is made on the first of the first year and no additional funds are contributed.

Chart I

Column A — \$1,000 Annual Contribution Contributory Projection .10% Dividend Rate and .10% APY	
At End of Year	Projected Value
1	\$1,001.00
2	\$2,003.00
3	\$3,006.01
4	\$4,010.01
5	\$5,015.03

Column B — One-time \$1,000 Contribution Rollover Projection .10% Dividend Rate and .10% APY	
At End of Year	Projected Value
1	\$1,001.00
2	\$1,002.00
3	\$1,003.00
4	\$1,004.01
5	\$1,005.01

Chart II

Column A — \$1,000 Annual Contribution Contributory Projection .10% Dividend Rate and .10% APY			
Present Age	Value of Account at End of Year in Which You Reach Age		
	60	65	70
20	\$41,873.00	\$47,097.91	\$52,349.00
21	\$40,831.15	\$46,050.83	\$51,296.68
22	\$39,790.34	\$45,004.81	\$50,245.41
23	\$38,750.57	\$43,959.83	\$49,195.19
24	\$37,711.84	\$42,915.89	\$48,146.03
25	\$36,674.15	\$41,873.00	\$47,097.91
26	\$35,637.49	\$40,831.15	\$46,050.83
27	\$34,601.88	\$39,790.34	\$45,004.81
28	\$33,567.29	\$38,750.57	\$43,959.83
29	\$32,533.74	\$37,711.84	\$42,915.89
30	\$31,501.23	\$36,674.15	\$41,873.00
31	\$30,469.74	\$35,637.49	\$40,831.15
32	\$29,439.29	\$34,601.88	\$39,790.34
33	\$28,409.87	\$33,567.29	\$38,750.57
34	\$27,381.47	\$32,533.74	\$37,711.84
35	\$26,354.11	\$31,501.23	\$36,674.15
36	\$25,327.77	\$30,469.74	\$35,637.49
37	\$24,302.45	\$29,439.29	\$34,601.88
38	\$23,278.16	\$28,409.87	\$33,567.29
39	\$22,254.90	\$27,381.47	\$32,533.74
40	\$21,232.65	\$26,354.11	\$31,501.23
41	\$20,211.43	\$25,327.77	\$30,469.74
42	\$19,191.23	\$24,302.45	\$29,439.29
43	\$18,172.05	\$23,278.16	\$28,409.87
44	\$17,153.89	\$22,254.90	\$27,381.47
45	\$16,136.75	\$21,232.65	\$26,354.11
46	\$15,120.62	\$20,211.43	\$25,327.77
47	\$14,105.50	\$19,191.23	\$24,302.45
48	\$13,091.41	\$18,172.05	\$23,278.16
49	\$12,078.32	\$17,153.89	\$22,254.90
50	\$11,066.25	\$16,136.75	\$21,232.65
51	\$10,055.19	\$15,120.62	\$20,211.43
52	\$9,045.14	\$14,105.50	\$19,191.23
53	\$8,036.10	\$13,091.41	\$18,172.05
54	\$7,028.07	\$12,078.32	\$17,153.89
55	\$6,021.04	\$11,066.25	\$16,136.75
56	\$5,015.03	\$10,055.19	\$15,120.62
57	\$4,010.01	\$9,045.14	\$14,105.50
58	\$3,006.01	\$8,036.10	\$13,091.41
59	\$2,003.00	\$7,028.07	\$12,078.32
60	\$1,001.00	\$6,021.04	\$11,066.25

Column B — One-time \$1,000 Contribution Rollover Projection .10% Dividend Rate and .10% APY			
Present Age	Value of Account at End of Year in Which You Reach Age		
	60	65	70
20	\$1,041.85	\$1,047.07	\$1,052.32
21	\$1,040.81	\$1,046.03	\$1,051.27
22	\$1,039.77	\$1,044.98	\$1,050.22
23	\$1,038.73	\$1,043.94	\$1,049.17
24	\$1,037.69	\$1,042.89	\$1,048.12
25	\$1,036.65	\$1,041.85	\$1,047.07
26	\$1,035.62	\$1,040.81	\$1,046.03
27	\$1,034.58	\$1,039.77	\$1,044.98
28	\$1,033.55	\$1,038.73	\$1,043.94
29	\$1,032.52	\$1,037.69	\$1,042.89
30	\$1,031.48	\$1,036.65	\$1,041.85
31	\$1,030.45	\$1,035.62	\$1,040.81
32	\$1,029.42	\$1,034.58	\$1,039.77
33	\$1,028.39	\$1,033.55	\$1,038.73
34	\$1,027.37	\$1,032.52	\$1,037.69
35	\$1,026.34	\$1,031.48	\$1,036.65
36	\$1,025.31	\$1,030.45	\$1,035.62
37	\$1,024.29	\$1,029.42	\$1,034.58
38	\$1,023.27	\$1,028.39	\$1,033.55
39	\$1,022.24	\$1,027.37	\$1,032.52
40	\$1,021.22	\$1,026.34	\$1,031.48
41	\$1,020.20	\$1,025.31	\$1,030.45
42	\$1,019.18	\$1,024.29	\$1,029.42
43	\$1,018.16	\$1,023.27	\$1,028.39
44	\$1,017.14	\$1,022.24	\$1,027.37
45	\$1,016.13	\$1,021.22	\$1,026.34
46	\$1,015.11	\$1,020.20	\$1,025.31
47	\$1,014.10	\$1,019.18	\$1,024.29
48	\$1,013.08	\$1,018.16	\$1,023.27
49	\$1,012.07	\$1,017.14	\$1,022.24
50	\$1,011.06	\$1,016.13	\$1,021.22
51	\$1,010.05	\$1,015.11	\$1,020.20
52	\$1,009.04	\$1,014.10	\$1,019.18
53	\$1,008.03	\$1,013.08	\$1,018.16
54	\$1,007.02	\$1,012.07	\$1,017.14
55	\$1,006.02	\$1,011.06	\$1,016.13
56	\$1,005.01	\$1,010.05	\$1,015.11
57	\$1,004.01	\$1,009.04	\$1,014.10
58	\$1,003.00	\$1,008.03	\$1,013.08
59	\$1,002.00	\$1,007.02	\$1,012.07
60	\$1,001.00	\$1,006.02	\$1,011.06

Deposits to an IRA are invested in a Certificate account that earns dividends. The accompanying charts project possible growth assuming, as an example, that a dividend rate of 0.10% per annum, compounded daily, is paid. All values are computed with the assumption that no interim withdrawals are made. The values are only projections and are not guaranteed; however, Navy Federal has never failed to pay dividends at the rates declared in advance.

Certificate Accounts: Dividends are a division and distribution of earnings among members after all expenses have been paid and the required amount has been set aside for reserves. Dividend rates are declared prospectively by the Board of Directors in the month preceding the dividend period. These prospective dividend rates may change at the determination of the Board. Navy Federal also provides the annual percentage yield (APY) for each dividend rate declared by the Board. Payment of all dividends is, of course, dependent on the availability of earnings at the end of the period. Dividends at Navy Federal are earned from day-of-deposit to day-of-withdrawal.

Dividends are computed using the daily balance method by applying the daily periodic rate to the full amount in your account at the end of each day. Dividends are credited the last calendar day of the month in which they are earned. The dividend period is monthly, beginning the first calendar day of the month and ending the last calendar day of the month. The dividend rate and the annual percentage yield may be obtained by calling Navy Federal toll-free in the U.S. at 1-888-842-6328, or visiting us online at navyfederal.org. Fees and charges that may be assessed are disclosed on Navy Federal's current *Schedule of Fees and Charges*. The first chart projects the cumulative value of an IRA at the end of each of the first five years after establishment of an IRA Certificate. Column A of Charts III and IV indicates the projected value of an account assuming an annual contribution of \$1,000 at the beginning of each year. Column B of each chart reflects the projected value assuming a one-time rollover (or transfer) contribution of \$1,000 is made on the first of the first year and no additional funds are contributed.

Chart III

Column A — \$1,000 Annual Contribution Contributory Projection .10% Dividend Rate and .10% APY	
At End of Year	Projected Value
1	\$1,001.00
2	\$2,003.00
3	\$3,006.01
4	\$4,010.01
5	\$5,015.03

Column B — One-time \$1,000 Contribution Rollover Projection .10% Dividend Rate and .10% APY	
At End of Year	Projected Value
1	\$1,001.00
2	\$1,002.00
3	\$1,003.00
4	\$1,004.01
5	\$1,005.01

Chart IV

Column A — \$1,000 Annual Contribution Contributory Projection .10% Dividend Rate and .10% APY			
Present Age	Value of Account at End of Year in Which You Reach Age		
	60	65	70
20	\$41,873.03	\$47,097.95	\$52,349.06
21	\$40,831.18	\$46,050.88	\$51,296.73
22	\$39,790.37	\$45,004.85	\$50,245.46
23	\$38,750.60	\$43,959.87	\$49,195.24
24	\$37,711.87	\$42,915.93	\$48,146.07
25	\$36,674.18	\$41,873.03	\$47,097.95
26	\$35,637.52	\$40,831.18	\$46,050.88
27	\$34,601.90	\$39,790.37	\$45,004.85
28	\$33,567.32	\$38,750.60	\$43,959.87
29	\$32,533.77	\$37,711.87	\$42,915.93
30	\$31,501.25	\$36,674.18	\$41,873.03
31	\$30,469.76	\$35,637.52	\$40,831.18
32	\$29,439.31	\$34,601.90	\$39,790.37
33	\$28,409.88	\$33,567.32	\$38,750.60
34	\$27,381.49	\$32,533.77	\$37,711.87
35	\$26,354.12	\$31,501.25	\$36,674.18
36	\$25,327.78	\$30,469.76	\$35,637.52
37	\$24,302.46	\$29,439.31	\$34,601.90
38	\$23,278.17	\$28,409.88	\$33,567.32
39	\$22,254.91	\$27,381.49	\$32,533.77
40	\$21,232.66	\$26,354.12	\$31,501.25
41	\$20,211.44	\$25,327.78	\$30,469.76
42	\$19,191.24	\$24,302.46	\$29,439.31
43	\$18,172.06	\$23,278.17	\$28,409.88
44	\$17,153.90	\$22,254.91	\$27,381.49
45	\$16,136.75	\$21,232.66	\$26,354.12
46	\$15,120.62	\$20,211.44	\$25,327.78
47	\$14,105.51	\$19,191.24	\$24,302.46
48	\$13,091.41	\$18,172.06	\$23,278.17
49	\$12,078.33	\$17,153.90	\$22,254.91
50	\$11,066.25	\$16,136.75	\$21,232.66
51	\$10,055.19	\$15,120.62	\$20,211.44
52	\$9,045.14	\$14,105.51	\$19,191.24
53	\$8,036.10	\$13,091.41	\$18,172.06
54	\$7,028.07	\$12,078.33	\$17,153.90
55	\$6,021.05	\$11,066.25	\$16,136.75
56	\$5,015.03	\$10,055.19	\$15,120.62
57	\$4,010.02	\$9,045.14	\$14,105.51
58	\$3,006.01	\$8,036.10	\$13,091.41
59	\$2,003.00	\$7,028.07	\$12,078.33
60	\$1,001.00	\$6,021.05	\$11,066.25

Column B — One-time \$1,000 Contribution Rollover Projection .10% Dividend Rate and .10% APY			
Present Age	Value of Account at End of Year in Which You Reach Age		
	60	65	70
20	\$1,041.85	\$1,047.07	\$1,052.32
21	\$1,040.81	\$1,046.03	\$1,051.27
22	\$1,039.77	\$1,044.98	\$1,050.22
23	\$1,038.73	\$1,043.94	\$1,049.17
24	\$1,037.69	\$1,042.89	\$1,048.12
25	\$1,036.66	\$1,041.85	\$1,047.07
26	\$1,035.62	\$1,040.81	\$1,046.03
27	\$1,034.58	\$1,039.77	\$1,044.98
28	\$1,033.55	\$1,038.73	\$1,043.94
29	\$1,032.52	\$1,037.69	\$1,042.89
30	\$1,031.49	\$1,036.66	\$1,041.85
31	\$1,030.45	\$1,035.62	\$1,040.81
32	\$1,029.42	\$1,034.58	\$1,039.77
33	\$1,028.40	\$1,033.55	\$1,038.73
34	\$1,027.37	\$1,032.52	\$1,037.69
35	\$1,026.34	\$1,031.49	\$1,036.66
36	\$1,025.32	\$1,030.45	\$1,035.62
37	\$1,024.29	\$1,029.42	\$1,034.58
38	\$1,023.27	\$1,028.40	\$1,033.55
39	\$1,022.24	\$1,027.37	\$1,032.52
40	\$1,021.22	\$1,026.34	\$1,031.49
41	\$1,020.20	\$1,025.32	\$1,030.45
42	\$1,019.18	\$1,024.29	\$1,029.42
43	\$1,018.16	\$1,023.27	\$1,028.40
44	\$1,017.15	\$1,022.24	\$1,027.37
45	\$1,016.13	\$1,021.22	\$1,026.34
46	\$1,015.11	\$1,020.20	\$1,025.32
47	\$1,014.10	\$1,019.18	\$1,024.29
48	\$1,013.08	\$1,018.16	\$1,023.27
49	\$1,012.07	\$1,017.15	\$1,022.24
50	\$1,011.06	\$1,016.13	\$1,021.22
51	\$1,010.05	\$1,015.11	\$1,020.20
52	\$1,009.04	\$1,014.10	\$1,019.18
53	\$1,008.03	\$1,013.08	\$1,018.16
54	\$1,007.02	\$1,012.07	\$1,017.15
55	\$1,006.02	\$1,011.06	\$1,016.13
56	\$1,005.01	\$1,010.05	\$1,015.11
57	\$1,004.01	\$1,009.04	\$1,014.10
58	\$1,003.00	\$1,008.03	\$1,013.08
59	\$1,002.00	\$1,007.02	\$1,012.07
60	\$1,001.00	\$1,006.02	\$1,011.06

IRA Certificates: The IRA Certificate has a minimum balance requirement as shown on your IRA application form and will earn dividends for each monthly dividend period at the dividend rate and APY specified, if held to maturity. If the balance falls below the minimum requirement, the Certificate will be closed and the funds transferred to IRA savings. Dividends are computed from day-of-deposit to day-of-withdrawal on the actual dollar value of the Certificate using the daily balance method, compounded daily, and credited to the IRA Certificate monthly on the last calendar day of the month in which they were earned, unless another dividend distribution option has been chosen. The APY assumes dividends remain in the account until maturity. Early withdrawals reduce

earnings. The following charts give a projection of the growth of the value of your IRA by showing the amount available to you at the end of each year. The first chart assumes a contribution of \$1,000 is made on the first day of each year to your IRA. The second chart assumes that the only contribution to your IRA is a one-time rollover (or transfer) of \$1,000 made on the first day of the first year. A loss of dividend penalty may be charged on a withdrawal from an IRA Certificate prior to maturity. These projections assume the penalty is either a one-month, a three-month, or a six-month loss of dividends on the entire amount withdrawn.

Chart V

Chart VI

Regular IRA Financial Projections .10% Dividend Rate and .10% APY				
No. Years	Account Value	3 Mo. Penalty	6 Mo. Penalty	12 Mo. Penalty
1	\$1,001.00	\$1,000.75	\$1,000.50	\$1,000.00
2	\$2,003.00	\$2,002.50	\$2,002.00	\$2,001.00
3	\$3,006.01	\$3,005.26	\$3,004.50	\$3,003.00
4	\$4,010.02	\$4,009.01	\$4,008.01	\$4,006.00
5	\$5,015.03	\$5,013.77	\$5,012.52	\$5,010.01
6	\$6,021.05	\$6,019.54	\$6,018.04	\$6,015.02
7	\$7,028.07	\$7,026.31	\$7,024.56	\$7,021.04
8	\$8,036.10	\$8,034.09	\$8,032.08	\$8,028.07
9	\$9,045.14	\$9,042.88	\$9,040.62	\$9,036.10
10	\$10,055.19	\$10,052.68	\$10,050.17	\$10,045.14
11	\$11,066.25	\$11,063.49	\$11,060.72	\$11,055.19
12	\$12,078.33	\$12,075.31	\$12,072.29	\$12,066.25
13	\$13,091.41	\$13,088.14	\$13,084.87	\$13,078.32
14	\$14,105.51	\$14,101.98	\$14,098.46	\$14,091.40
15	\$15,120.62	\$15,116.84	\$15,113.06	\$15,105.50
16	\$16,136.75	\$16,132.72	\$16,128.68	\$16,120.61
17	\$17,153.90	\$17,149.61	\$17,145.32	\$17,136.74
18	\$18,172.06	\$18,167.52	\$18,162.97	\$18,153.89
19	\$19,191.24	\$19,186.44	\$19,181.65	\$19,172.05
20	\$20,211.44	\$20,206.39	\$20,201.34	\$20,191.23
21	\$21,232.66	\$21,227.36	\$21,222.05	\$21,211.43
22	\$22,254.91	\$22,249.34	\$22,243.78	\$22,232.65
23	\$23,278.17	\$23,272.35	\$23,266.54	\$23,254.90
24	\$24,302.46	\$24,296.39	\$24,290.31	\$24,278.16
25	\$25,327.78	\$25,321.45	\$25,315.12	\$25,302.45
26	\$26,354.12	\$26,347.53	\$26,340.94	\$26,327.77
27	\$27,381.49	\$27,374.64	\$27,367.80	\$27,354.11
28	\$28,409.88	\$28,402.78	\$28,395.68	\$28,381.47
29	\$29,439.31	\$29,431.95	\$29,424.59	\$29,409.87
30	\$30,469.76	\$30,462.15	\$30,454.53	\$30,439.29
31	\$31,501.25	\$31,493.37	\$31,485.50	\$31,469.75
32	\$32,533.77	\$32,525.63	\$32,517.50	\$32,501.23
33	\$33,567.32	\$33,558.92	\$33,550.53	\$33,533.75
34	\$34,601.90	\$34,593.25	\$34,584.60	\$34,567.30
35	\$35,637.52	\$35,628.61	\$35,619.70	\$35,601.88
36	\$36,674.18	\$36,665.01	\$36,655.84	\$36,637.50
37	\$37,711.87	\$37,702.44	\$37,693.01	\$37,674.16
38	\$38,750.60	\$38,740.91	\$38,731.23	\$38,711.85
39	\$39,790.37	\$39,780.42	\$39,770.48	\$39,750.58
40	\$40,831.18	\$40,820.97	\$40,810.77	\$40,790.35
41	\$41,873.03	\$41,862.57	\$41,852.10	\$41,831.16
42	\$42,915.93	\$42,905.20	\$42,894.47	\$42,873.01
43	\$43,959.87	\$43,948.88	\$43,937.89	\$43,915.91
44	\$45,004.85	\$44,993.60	\$44,982.35	\$44,959.84
45	\$46,050.88	\$46,039.36	\$46,027.85	\$46,004.83
46	\$47,097.95	\$47,086.18	\$47,074.40	\$47,050.85
47	\$48,146.07	\$48,134.04	\$48,122.00	\$48,097.93
48	\$49,195.24	\$49,182.94	\$49,170.65	\$49,146.05
49	\$50,245.46	\$50,232.90	\$50,220.34	\$50,195.22
50	\$51,296.73	\$51,283.91	\$51,271.09	\$51,245.44
51	\$52,349.06	\$52,335.97	\$52,322.88	\$52,296.71
52	\$53,402.43	\$53,389.08	\$53,375.73	\$53,349.03
53	\$54,456.86	\$54,443.25	\$54,429.63	\$54,402.41
54	\$55,512.35	\$55,498.47	\$55,484.59	\$55,456.83
55	\$56,568.89	\$56,554.75	\$56,540.60	\$56,512.32
56	\$57,626.49	\$57,612.08	\$57,597.67	\$57,568.86
57	\$58,685.14	\$58,670.47	\$58,655.80	\$58,626.46
58	\$59,744.86	\$59,729.92	\$59,714.98	\$59,685.11
59	\$60,805.63	\$60,790.43	\$60,775.23	\$60,744.83
60	\$61,867.47	\$61,852.00	\$61,836.53	\$61,805.60
61	\$62,930.37	\$62,914.63	\$62,898.90	\$62,867.44
62	\$63,994.33	\$63,978.33	\$63,962.33	\$63,930.33

Rollover or Transfer IRA Financial Projections .10% Dividend Rate and .10% APY				
No. Years	Account Value	3 Mo. Penalty	6 Mo. Penalty	12 Mo. Penalty
1	\$1,001.00	\$1,000.75	\$1,000.50	\$1,000.00
2	\$1,002.00	\$1,001.75	\$1,001.50	\$1,001.00
3	\$1,003.00	\$1,002.75	\$1,002.50	\$1,002.00
4	\$1,004.01	\$1,003.76	\$1,003.51	\$1,003.00
5	\$1,005.01	\$1,004.76	\$1,004.51	\$1,004.01
6	\$1,006.02	\$1,005.77	\$1,005.52	\$1,005.01
7	\$1,007.02	\$1,006.77	\$1,006.52	\$1,006.02
8	\$1,008.03	\$1,007.78	\$1,007.53	\$1,007.02
9	\$1,009.04	\$1,008.79	\$1,008.54	\$1,008.03
10	\$1,010.05	\$1,009.80	\$1,009.55	\$1,009.04
11	\$1,011.06	\$1,010.81	\$1,010.56	\$1,010.05
12	\$1,012.07	\$1,011.82	\$1,011.57	\$1,011.06
13	\$1,013.08	\$1,012.83	\$1,012.58	\$1,012.07
14	\$1,014.10	\$1,013.84	\$1,013.59	\$1,013.08
15	\$1,015.11	\$1,014.86	\$1,014.61	\$1,014.10
16	\$1,016.13	\$1,015.87	\$1,015.62	\$1,015.11
17	\$1,017.15	\$1,016.89	\$1,016.64	\$1,016.13
18	\$1,018.16	\$1,017.91	\$1,017.65	\$1,017.14
19	\$1,019.18	\$1,018.93	\$1,018.67	\$1,018.16
20	\$1,020.20	\$1,019.95	\$1,019.69	\$1,019.18
21	\$1,021.22	\$1,020.97	\$1,020.71	\$1,020.20
22	\$1,022.24	\$1,021.99	\$1,021.73	\$1,021.22
23	\$1,023.27	\$1,023.01	\$1,022.75	\$1,022.24
24	\$1,024.29	\$1,024.03	\$1,023.78	\$1,023.27
25	\$1,025.32	\$1,025.06	\$1,024.80	\$1,024.29
26	\$1,026.34	\$1,026.08	\$1,025.83	\$1,025.31
27	\$1,027.37	\$1,027.11	\$1,026.85	\$1,026.34
28	\$1,028.40	\$1,028.14	\$1,027.88	\$1,027.37
29	\$1,029.42	\$1,029.17	\$1,028.91	\$1,028.40
30	\$1,030.45	\$1,030.20	\$1,029.94	\$1,029.42
31	\$1,031.49	\$1,031.23	\$1,030.97	\$1,030.45
32	\$1,032.52	\$1,032.26	\$1,032.00	\$1,031.48
33	\$1,033.55	\$1,033.29	\$1,033.03	\$1,032.52
34	\$1,034.58	\$1,034.33	\$1,034.07	\$1,033.55
35	\$1,035.62	\$1,035.36	\$1,035.10	\$1,034.58
36	\$1,036.66	\$1,036.40	\$1,036.14	\$1,035.62
37	\$1,037.69	\$1,037.43	\$1,037.17	\$1,036.66
38	\$1,038.73	\$1,038.47	\$1,038.21	\$1,037.69
39	\$1,039.77	\$1,039.51	\$1,039.25	\$1,038.73
40	\$1,040.81	\$1,040.55	\$1,040.29	\$1,039.77
41	\$1,041.85	\$1,041.59	\$1,041.33	\$1,040.81
42	\$1,042.89	\$1,042.63	\$1,042.37	\$1,041.85
43	\$1,043.94	\$1,043.68	\$1,043.42	\$1,042.89
44	\$1,044.98	\$1,044.72	\$1,044.46	\$1,043.94
45	\$1,046.03	\$1,045.77	\$1,045.50	\$1,044.98
46	\$1,047.07	\$1,046.81	\$1,046.55	\$1,046.03
47	\$1,048.12	\$1,047.86	\$1,047.60	\$1,047.07
48	\$1,049.17	\$1,048.91	\$1,048.65	\$1,048.12
49	\$1,050.22	\$1,049.96	\$1,049.70	\$1,049.17
50	\$1,051.27	\$1,051.01	\$1,050.75	\$1,050.22
51	\$1,052.32	\$1,052.06	\$1,051.80	\$1,051.27
52	\$1,053.38	\$1,053.11	\$1,052.85	\$1,052.32
53	\$1,054.43	\$1,054.17	\$1,053.90	\$1,053.38
54	\$1,055.48	\$1,055.22	\$1,054.96	\$1,054.43
55	\$1,056.54	\$1,056.28	\$1,056.01	\$1,055.48
56	\$1,057.60	\$1,057.33	\$1,057.07	\$1,056.54
57	\$1,058.66	\$1,058.39	\$1,058.13	\$1,057.60
58	\$1,059.71	\$1,059.45	\$1,059.19	\$1,058.66
59	\$1,060.78	\$1,060.51	\$1,060.24	\$1,059.71
60	\$1,061.84	\$1,061.57	\$1,061.31	\$1,060.77
61	\$1,062.90	\$1,062.63	\$1,062.37	\$1,061.84
62	\$1,063.96	\$1,063.70	\$1,063.43	\$1,062.90

Roth Individual Retirement Trust Account Agreement

Form 5305-R Under Section 408A of the Internal Revenue Code

Form (Rev. April 2017)

The Grantor named on the Application is establishing a Roth Individual Retirement Account under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The Trustee named on the Application has given the Grantor the disclosure statement required by Regulations section 1.408-6.

The Grantor has assigned the trust account the sum indicated on the Application.

The Grantor and the Trustee 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 trustee will accept only cash contributions up to \$5,500 per year for tax years 2013 through 2018 and \$6,000 per year for 2019 and thereafter. 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 tax years 2013 through 2018 and \$7,000 per year for 2019 and thereafter. For years after 2019, 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 single Grantor, the annual contribution is phased out between adjusted gross income (AGI) of \$122,000 and \$137,000; for a married Grantor filing jointly, between AGI of \$193,000 and \$203,000; and for a married Grantor filing separately, between AGI of \$0 and \$10,000. These phase-out ranges are for 2019. For years after 2019, 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) and does not include IRA Conversion Contributions.

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

Article III

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

Article IV

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

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

Article V

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

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

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Grantor'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 Grantor's death and subtracting 1 from the divisor for each subsequent year.

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

Article VI

1. The Grantor agrees to provide the Trustee 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 Trustee agrees to submit to the IRS and Grantor 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 on the Application.

Article IX

9.01 *Definitions:* In this part of this Agreement (Article IX), the words "you" and "your" mean the Grantor, the words "we," "us," and "our" mean the Trustee, "Code" means the Internal Revenue Code, and "Regulations" means the Treasury Regulations.

9.02 *Notices and Change of Address:* Any required notice regarding this Roth IRA will be considered effective when we send it to the intended recipient at the last address which we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.

9.03 *Representations and Responsibilities:* You represent and warrant to us that any information you have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act. We shall not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your Roth IRA. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings, or this Agreement. We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this Agreement (e.g., attorney-in-fact, executor, administrator, investment manager); however, we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. We shall not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions, or failures to act by your authorized agent. You will have sixty (60) days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information shall be deemed correct and accurate, and we shall have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this Agreement, we are acting as your agent. Unless otherwise specified in this Agreement, you acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall 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 Roth IRAs. You agree to indemnify and hold us 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, we may accept or provide such information in any other form permitted by the Code or applicable Regulations.

9.04 *Investment of Amounts in the Roth IRA:*

Grantor Management of Investment—You have exclusive responsibility for and control over the investment of the assets of your Roth IRA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our 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; our policies and practices; and this Agreement. After your death, your beneficiary(ies) shall have the right to direct the investment of your Roth IRA assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Section 9.03 of this article). We shall have no discretion to direct any investment in your Roth IRA. We assume no responsibility for rendering investment advice with respect to your Roth IRA, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your Roth IRA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you. We will not exercise the voting rights and other shareholder rights with respect to investments in your Roth IRA unless you provide timely written directions acceptable to us.

You will select the type of investment for your Roth IRA assets, provided, however, that your selection of investments shall be limited to those types of investments that we are authorized by our charter, articles of incorporation, or bylaws to offer, and do in fact offer for investment in Roth IRAs.

9.05 *Beneficiary(ies):* If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiary(ies).

You may designate one or more persons or entities as beneficiary of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Unless otherwise specified, each beneficiary designation you file with us will cancel all previous ones. The consent of a beneficiary(ies) shall not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary(ies) survives you, the contingent beneficiary(ies) shall acquire the designated share of your Roth IRA. If you do not designate a beneficiary, or if all of your primary and contingent beneficiary(ies) predecease you, your estate will be the beneficiary.

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

We may allow, if permitted by state law, an original Roth IRA beneficiary(ies) (the beneficiary(ies) who is entitled to receive distribution(s) from an inherited Roth IRA at the time of your death) to name a successor beneficiary(ies) for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's(ies') lifetime. Unless otherwise specified, each beneficiary designation form that the original Roth IRA beneficiary(ies) files with us will cancel all previous ones. The consent of a successor beneficiary(ies) shall not be required for the original Roth IRA beneficiary(ies) to revoke a successor beneficiary(ies) designation. If the original Roth IRA beneficiary(ies) does not designate a successor beneficiary(ies), his or her estate will be the successor beneficiary. In no event shall the successor beneficiary(ies) be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

9.06 *Termination of Agreement, Resignation, or Removal of Trustee:* Either party may terminate this Agreement at any time by giving written notice to the other. We can resign as Trustee at any time effective 30 days after we mail written notice of our resignation to you. Upon receipt of that notice, you must make arrangements to transfer your Roth IRA to another financial organization. If you do not complete a transfer of your Roth IRA within 30 days from the date we mail the notice to you, we have the right to transfer your Roth IRA assets to a successor Roth IRA custodian or trustee that we choose in our sole discretion, or we may pay your Roth IRA to you in a single sum. We shall not be liable for any actions or failures to act on the part of any successor custodian or trustee, nor for any tax consequences you may incur that result from the transfer or distribution of your assets pursuant to this section.

If this Agreement is terminated, we may charge your Roth IRA a reasonable amount of money that we believe 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 your Roth IRA;
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA.

If we are required to comply with Regulations section 1.408-2(e), and we fail to do so, or we are not keeping the records, making the returns, or sending the statements as are required by forms or Regulations, the IRS may, after notifying you, require you to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your Roth IRA to you in cash or property if the balance of your Roth IRA drops below the minimum balance required under the applicable investment or policy established.

9.07 *Successor Trustee:* If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion which includes your Roth IRA) is bought by another organization, that organization (or agency) shall automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

9.08 *Amendments:* We have the right to amend this Agreement at any time. Any amendment we make to comply with the Code and related Regulations does not require your consent. You will be deemed to have consented to any other amendment unless, within 30 days from the date we mail the amendment, you notify us in writing that you do not consent.

9.09 *Withdrawals or Transfers:* Unless you are instructed otherwise, all requests for withdrawals or transfers shall be in writing on a form provided by or acceptable to us. The method of distribution must be specified. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and Regulations, including possible early withdrawal penalties or surrender charges and withholding requirements.

You are not required to take a distribution from your Roth IRA at age 70½. At your death, however, your beneficiary(ies) must begin taking distributions in accordance with Article V and Section 9.05 of this Agreement. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

9.10 *Transfers from Other Plans:* We can receive amounts transferred to this Roth IRA from the custodian or trustee of another Roth IRA as permitted by the Code. We reserve the right not to accept any transfer.

9.11 *Liquidation of Assets:* We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree not to hold us liable for any adverse consequences that result from our decision.

9.12 *Restrictions on the Fund:* Neither you nor any beneficiary may sell, transfer, or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this Agreement.

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

9.13 *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 our domicile shall govern.

If any part of this Agreement is held to be illegal or invalid, the remaining parts shall not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this Agreement shall be construed as a waiver of such provisions, or your right or our 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-R is a model trust account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth Individual Retirement Account (Roth IRA) is established after the form is fully executed by both the individual (Grantor) and the Trustee. This account must be created in the United States for the exclusive benefit of the Grantor and his or her beneficiaries.

Do not file Form 5305-R 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 Grantor's gross income; and distributions after five years that are made when the Grantor 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 income. For more information on Roth IRAs, including the required disclosures the Trustee must give the Grantor, see **Pub. 590, Individual Retirement Arrangements (IRAs)**.

Definitions

IRA Conversion Contributions: IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a non-Roth IRA to a Roth IRA. A non-Roth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

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

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

Specific Instructions: Article I. The Grantor may be subject to a 6% tax on excess contributions if (1) contributions to other Individual Retirement Arrangements of the Grantor have been made for the same tax year, (2) the Grantor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the Grantor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The Grantor should see the Disclosure Statement or Pub. 590 for more information.

Article V. This article describes how distributions will be made from the Roth IRA after the Grantor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the Grantor's intent. Under paragraph 3 of Article V, the Grantor's spouse is treated as the owner of the Roth IRA upon the death of the Grantor, 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 Grantor and Trustee to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Trustee, Trustee's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the Grantor, etc. Attach additional pages if necessary.

Disclosure Statement

Right to Revoke Your Roth IRA: If you receive this Disclosure Statement at the time you establish your Roth IRA, you have the right to revoke your Roth IRA within seven (7) days of its establishment. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. You may make this revocation only by mailing or delivering a written notice to the Trustee at the address listed on the Application.

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

We are required to report to the IRS the contributions to and distributions from a revoked IRA.

If you have any questions about the procedure for revoking your Roth IRA, please call the Trustee at the telephone number listed on the Application.

Requirements of a Roth IRA

A. **Cash Contributions**—Your contribution must be in cash unless it is a rollover or conversion contribution. Stock certificates will not be accepted.

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 \$5,500 for 2018 and \$6,000 for 2019, 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 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRA. Your total annual contribution to all Traditional IRAs and Roth 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 \$189,000 (for 2018) or \$193,000 (for 2019) if you are a married individual filing a joint income tax return, or equals or exceeds \$120,000 (for 2018) or \$122,000 (for 2019) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$199,000 (for 2018) or \$203,000 (for 2019) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$135,000 (for 2018) or \$137,000 (for 2019) 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 tax years beginning after 2019.

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 a MAGI of \$200,000 in 2019, your maximum deductible contribution is \$1,800 (the 2019 phase-out range maximum of \$203,000 minus your MAGI of \$200,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$6,000).

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 a MAGI of \$130,000 in 2019, your maximum deductible contribution is \$4,200 (the 2019 phase-out range maximum of \$137,000 minus your MAGI of \$130,000, divided by the difference between the maximum and minimum phase-out range limits of \$10,000, and multiplied by the contribution limit of \$6,000).

- C. **Contribution Eligibility**—You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in a 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.
- E. **Nonforfeitable**—Your interest in your Roth IRA is nonforfeitable.
- F. **Eligible Trustees**—The Trustee 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 Code section 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 Code section 408(m)(3)) are also permitted as Roth IRA investments.
- J. **Beneficiary Payouts**—Your designated beneficiary is determined based on the beneficiary(ies) designated as of the date of your death who remains your beneficiary(ies) 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 beneficiary(ies), either:
 1. be distributed by December 31 of the year containing the fifth anniversary of your death, or
 2. be distributed over the remaining life expectancy of your designated beneficiary(ies).

If your spouse is your sole designated beneficiary, he or she must elect either option (1) or (2) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year you would have attained age 70½. Your designated beneficiary(ies), other than a spouse who is the sole designated beneficiary, must elect either option (1) or (2) 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 (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary(ies) other than an individual or qualified trust as defined in the Regulations is named, you will be treated as having no designated beneficiary(ies) 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. If the total balance of the IRA assets is less than \$500, Navy Federal will pay out the entire balance to the beneficiary as an immediate lump sum distribution. If no instructions are received from the beneficiary by the deadline as described above, Navy Federal will distribute the entire balance by December 31 of the year following death payable to the beneficiary. This payout is irrevocable and will not be reversed.

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 a required minimum distribution 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.

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 April 15, your contribution is considered to have been made for the previous tax year if you designate it as such.

- 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.

2019 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 – 38,500	\$1 – 28,875	\$1 – 19,250	50
\$38,501 – 41,500	\$28,876 – 31,125	\$19,251 – 20,750	20
\$41,501 – 64,000	\$31,126 – 48,000	\$20,751 – 32,000	10
Over \$64,000	Over \$48,000	Over \$32,000	0

*Adjusted gross income 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.

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

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

- E. **Tax-Deferred Earnings**—The investment earnings of your 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.

1. **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 which 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;
 - The purchase of a first home; or
 - Death.

For example, if you made a contribution to your Roth IRA for 2018, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2023.

2. **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. However, when you take a distribution, the amounts you contributed annually to any Roth IRA account 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 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. **Required Minimum Distributions**—You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional and SIMPLE IRAs). However, your beneficiary(ies) is generally required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this Disclosure Statement regarding beneficiary's(ies)' required minimum distributions.

- H. **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 tax-free 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 is generally a taxable event. The rollover and conversion rules are generally summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. **Roth IRA-to-Roth IRA Rollovers:** Funds distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of Code 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.

Effective for distributions taken on or after January 1, 2015, 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 www.irs.gov.

2. **Traditional IRA to Roth IRA Conversions:** You are eligible to convert all or any portion of your existing Traditional IRA(s) into your Roth IRA(s). However, if you are age 70½ or older, you must remove your required minimum distribution prior to converting your Traditional IRA. The amount of the conversion from your Traditional IRA to your Roth IRA shall 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 is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
3. **SIMPLE IRA to Roth IRA Conversions:** You are eligible to convert all or any portion of your existing savings incentive match plan for employees of small employers (SIMPLE) IRA(s) into your Roth IRA(s), provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. However, if you are age 70½ or older, you must remove your required minimum distribution prior to converting your SIMPLE IRA. The amount of the conversion from your SIMPLE IRA to your Roth IRA shall be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount is generally included in income, the 10 percent early distribution penalty shall not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent penalty.
4. **Rollovers of Roth Elective Deferrals:** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan may be rolled into your Roth IRA.
5. **Rollovers from Employer-Sponsored Retirement Plans:** Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan

after December 31, 2007 may be rolled over to your Roth IRA. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements. Roth IRA conversion rules, as described above, will apply to rollovers by beneficiaries or plan participants, including the requirement to include the taxable portion in income in the year distributed.

6. **Beneficiary Rollovers from 401(k) or 403(b) Plans Containing Roth Elective Deferrals:** If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k) or 403(b) 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. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.

7. **Rollover of Military Death Benefits:** If you receive or have received a military death gratuity or a payment from the Servicemembers' Group Life Insurance (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.

8. **Qualified HSA Funding Distribution:** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free 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*.

9. **Rollovers of Settlement Payments from Bankrupt Airlines:** If you are a qualified airline employee who has received an airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, you are allowed to roll over any portion of the proceeds into your Roth IRA by the later of 180 days after receipt of such amount, or by a later date if extended by federal law. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.

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

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

12. **Written Election:** At the time you make a proper rollover or conversion to a Roth IRA, you must designate in writing to us your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.

I. **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.

J. **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. For tax years beginning before January 1, 2018, if you have converted from a Traditional IRA to a Roth IRA, you may recharacterize the conversion along with net income attributable back 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 or conversion completed. However, effective for tax years beginning after December 31, 2017, you may not recharacterize a Roth IRA conversion.

Limitations and Restrictions

A. **Spousal Roth IRA**—If you are married and have compensation, 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. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined compensation or \$11,000 for 2018 and \$12,000 for 2019. This amount may be increased with cost-of-living adjustments each year thereafter. 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 for years 2013 and beyond.

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 Code section 2501.

C. **Special Tax Treatment**—Capital gains treatment and 10-year forward income averaging authorized by Code section 402 do not apply to Roth IRA distributions.

D. **Income Tax Treatment**—Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

E. **Prohibited Transactions**—If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in Code section 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you must generally include the value of the earnings in your account in your gross income for the taxable year you engage in the prohibited transaction. 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 funds; or (3) receiving certain bonuses or premiums because of your Roth IRA.

F. **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 the taxable year in which you pledge the assets to the extent it represents earnings.

Federal Tax Penalties

A. **Early Distribution Penalty**—If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional tax of 10 percent will generally apply to the amount includable in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts within the five-year period beginning with the year in which the conversion occurred, an additional tax of 10 percent will generally apply to the amount of the distribution. The additional tax of 10 percent will generally not apply if a distribution is made on account of 1) death, 2) disability, 3) a qualifying rollover, 4) the timely withdrawal of an excess contribution, 5) a series of substantially equal periodic payments (at least annual payments) made over your life expectancy or the joint life expectancy of you and your beneficiary, 6) medical expenses which exceed 10 percent of your adjusted gross income, 7) health insurance payments if you are separated from employment and have received unemployment compensation under a federal or state program for at least 12 weeks, 8) certain qualified education expenses, 9) first-home purchases (up to a lifetime maximum of \$10,000), 10) a levy issued by the IRS, or 11) active military duty (see *Qualified Reservist Distributions*).

B. **Excess Contribution Penalty**—An additional tax of six percent is imposed upon any excess contribution you make to your Roth IRA. This additional tax will apply each year in which an excess remains in your Roth IRA. An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute.

C. **Excess Accumulation Penalty**—As previously described, your beneficiary(ies) is generally required to take certain required minimum distributions after your death. An additional tax of 50 percent is imposed on the amount of the required minimum distribution which should have been taken but was not.

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

Other

A. **IRS Plan Approval**—The Agreement used to establish this Roth IRA has 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**—You may obtain further information on Roth IRAs from your District Office of the IRS. In particular, 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 1-800-TAX-FORM (1-800-829-3676) or by visiting www.irs.gov on the internet.
- C. **Important Information About Procedures for Opening a New Account**—To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. *What this means for you:* When you open an account, 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 a qualified reservist called to active duty, you may be eligible to take penalty-free distributions from your Roth IRA and recontribute those amounts to an IRA generally within a two-year period from your date of return. For further detailed information, you may wish to obtain IRS Publication 590, *Individual Retirement Arrangements (IRAs)* from the IRS.
- E. **Charitable Distributions**—If you are age 70½ or older, you may make tax-free distributions of up to \$100,000 per year directly from your Roth IRA to certain charitable organizations. Special tax rules may apply. For further detailed information, 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 www.irs.gov.
- F. **Disaster Related Relief**—If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related 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 www.irs.gov.

Navy Federal IRA Investment Information, Fees, and Penalties

Navy Federal has no annual service fee for maintaining your IRA.

IRA Disclosure Statement

IRA Savings and IRA Money Market Savings Account (MMSA) Dividends: The IRA MMSA does not earn/accrue dividends on days when the account balance falls below \$2,500. The IRA Jumbo MMSA will earn dividends at the IRA savings rate on balances from \$0-\$99,999.99. Balances of \$100,000 or greater will earn the IRA Jumbo MMSA rate. Dividends are a division and distribution of earnings among members after all expenses have been paid and the required amount has been set aside for reserves. Navy Federal also provides the Annual Percentage Yield (APY) for each dividend rate declared by the Board. Rates are subject to change weekly. Payment of all dividends is dependent on the availability of earnings at the end of the period. Dividends at Navy Federal are earned on deposits from day-of-deposit to day-of-withdrawal at the specified rate. Dividends for IRA Savings Accounts and IRA MMSAs are credited the last day of the period they are earned and are compounded monthly.

IRA Certificate Dividends: The IRA Certificate has a minimum balance requirement and will earn dividends for each monthly dividend period at the dividend rate and APY specified. Dividends are a division and distribution of earnings among members, after all expenses have been paid and the required amount has been set aside for reserves. Payment of all dividends is dependent on the availability of earnings at the end of the period. Dividends are earned from day-of-deposit to day-of-withdrawal at the specified rate. Dividends are computed using the daily balance method by applying the daily periodic rate for the full amount in your account at the end of each day. Dividends are credited on the last calendar day of each month in which they are earned unless another dividend distribution option has been chosen. The APY assumes dividends remain in the account until maturity. Early withdrawals reduce earnings. Rates for three-year Variable Rate Certificates may change on the Certificate's anniversary dates (at 12 and 24 months) and are based on the one-year Constant Maturity Treasury (CMT). Navy Federal guarantees that the Certificate's dividend rate will never decrease more than one-half percentage point (0.50%) below the dividend rate at the time the Certificate was purchased or renewed, and there is no upper limitation on dividend rate changes.

Penalties for Early Withdrawal: (a) If the term to maturity is one year (or less), the amount forfeited is equal to the lesser of: (1) all dividends for 90 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. (b) If the term to maturity is greater than one year,

the amount forfeited is equal to the lesser of: (1) all dividends for 180 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. (c) If the term to maturity is five years or greater, the amount forfeited is equal to the lesser of: (1) all dividends for 365 days on the amount withdrawn, or (2) all dividends on the amount withdrawn since the date of issuance or renewal. (d) In the case of an early withdrawal that brings the remaining Certificate balance lower than the minimum balance requirement, the Certificate will be closed, and the above penalties will be imposed on the entire principal amount. (e) In accordance with Federal Reserve Regulation D, withdrawals made within the first six days of a new Certificate purchase (not renewed) are subject to a seven-day, early-withdrawal dividend penalty. (f) There are no IRA Savings or IRA MMSA penalties for early withdrawal. (g) The IRS imposes penalties for withdrawals prior to age 59½ for Traditional/SEP IRAs and for non-qualified withdrawal purposes for Roth IRAs, unless an exception applies (see "Federal Tax Penalties").

Special and Limited Offerings: Navy Federal may offer "Limited-Time or Special Certificate Offerings." Navy Federal will provide a notice to the owner specifying the terms, conditions, or any additional requirements.

Penalty Exceptions: Penalties will not be applied to any of the following: (a) withdrawals of dividend payments only, (b) withdrawals subsequent to the death of any owner of the IRA Certificate, (c) withdrawals made as a result of the voluntary or involuntary liquidation of the Credit Union, or (d) withdrawals of Required Minimum Distributions (RMDs) (Traditional and SEP IRAs only).

Maturing Certificates: At least 20 days prior to each IRA Certificate's maturity, Navy Federal will provide a notice specifying the terms under which the Credit Union proposes to renew the IRA Certificate or otherwise make the funds available to the owner. Each IRA Certificate will be automatically renewed as specified in the maturity notice unless the owner notifies Navy Federal to the contrary on or before the maturity date.

Grace Period: You have 21 calendar days from the maturity date to change the conditions under which the IRA Certificate will be renewed. During this period, the balance in the IRA Certificate will earn dividends at the prevailing offering rate. If no changes are made within this period, your IRA Certificate will be renewed as specified in the renewal notice and will continue earning at the prevailing rate.

Insurance: Separate from your share accounts, IRA Savings Accounts and IRA MMSAs combined with IRA Certificates are insured up to \$250,000 by the National Credit Union Administration (NCUA), a U.S. government agency.

Governing Laws: Your Navy Federal accounts are maintained and governed in accordance with federal law and the laws of the Commonwealth of Virginia, as amended. Property may be transferred to the appropriate state if there has been no activity within the time period specified by state law.

Transferability: Navy Federal IRA Certificates are not transferable, are not negotiable, and may not be pledged as collateral on a loan.

Final Payment: All non-cash purchases will be credited subject to final payment.

Change in Terms: Navy Federal reserves the right to discontinue or change the terms of IRA Certificate offerings within 30 days prior notice; however, once issued, the terms of an IRA Certificate may not be changed without the owner's consent.

Note: This account is subject to all terms and provisions defined in NFCU 602 (for Traditional), 602A (for Roth), or 602C (for SEP). Unless otherwise noted, any beneficiary designation(s) currently on file will remain in effect.

Deposits and Transfers/Withdrawals: You may make additional deposits to IRA Savings Accounts or IRA MMSAs at any time. If your IRA Certificate accepts additional deposits and the IRA Certificate has not exceeded its maximum balance, additional deposits can be made by cash, check, or periodic transfer(s) from a Navy Federal savings account, checking account, or MMSA. Deposits may be held for up to five business days. Federal Reserve Regulation D limits the number of pre-authorized, automatic, or telephone transfers or withdrawals from the IRA Savings Accounts or IRA MMSAs to no more than a total of six per month. However, Regulation D transfer or withdrawal limits do not apply to IRA Certificates.

Current Rates: Dividend rates and APY may be obtained by calling Navy Federal toll-free in the U.S. at 1-888-842-6328 or visiting us online at navyfederal.org. For toll-free numbers when overseas, visit navyfederal.org. Use 1-703-255-8837 for collect international calls.

How We May Contact You: If you provide a mobile telephone number, Navy Federal has your permission to place automated non-marketing calls and text messages at that number. Message and data rates may apply. You also expressly consent that we may send email messages regarding your account to your email address.

Further Information: If you would like additional information regarding legal requirements and regulations of IRAs, you may contact any local office of the Internal Revenue Service (IRS). For further information regarding Navy Federal's IRA program, please call toll-free in the U.S. at 1-888-842-6328. For toll-free numbers when overseas, visit navyfederal.org. Use 1-703-255-8837 for collect international calls. An Account Specialist will be happy to assist you. Please visit our website at navyfederal.org.