

# Supplements to the SIMPLE IRA Custodial Agreement

2014-2024



This document outlines all supplemental changes that are currently in effect for the American Century Investments® custodial agreement for SIMPLE IRAs.

**August 2024 Supplement:** The custodial fee has been revised; changes go into effect starting with the November 2024 fee deduction.

Location: Page 13

Revision: Replace *Custodial Fee* section with the following:

**Custodial Fee.** Your assets are held in an account with American Century Services, LLC, in the name of the Custodian, State Street Bank and Trust Company. An annual \$25 fee applicable to custodial accounts will be charged if your eligible investments at American Century Investments total less than \$25,000 at the time the fee is calculated. We will calculate your total eligible investments on the first Friday of November each year. If your investments' total value is less than \$25,000 at that time, we will redeem shares on the second Friday of November to pay the fee. No bill will be sent. If you prefer to prepay your custodial fee, call American Century Investments for instructions.

To determine your total eligible investments, we will include all personal accounts registered under your Social Security number. Personal accounts include individual, joint, UGMA/UTMA, personal trusts, Coverdell Education Savings Accounts, Traditional, Rollover, Roth, SEP, SARSEP and SIMPLE IRAs, Non-ERISA 403(b) and governmental 457(b) custodial accounts (other types of retirement accounts are not included). We will also include the same types of accounts held through American Century Brokerage, Private Client Group, Digital Advice and Learning Quest.

If you are a joint owner or have authority over an account listed under someone else's Social Security number, we will calculate those assets as part of that person's eligible investments, and not yours.

**August 2024 Supplement:** Required minimum distribution (RMD) age change; reduction in penalty tax for missed RMDs.

Location: Pages 10-11

Revision: Replace *Required minimum distributions from your SIMPLE IRA* with the following:

When you reach a certain age, the IRS requires you to begin taking a required minimum distribution (RMD) each year from your SIMPLE IRA. Your RMD age depends on your date of birth: the RMD age is 70½ for individuals born before July 1, 1949; the RMD age is 72 for individuals born on or after July 1, 1949, but before January 1, 1951; the RMD age is 73 for individuals born in 1951-1959\*; and the RMD age is 75 for individuals born in 1960 or later.

Each year's RMD must be withdrawn by December 31 of the RMD year, with the exception of your first year RMD. You have until April 1 of the second year to remove your first year RMD. If you decide to delay your first RMD until the second year, you must still take your second year RMD by December 31 of the second year.

The amount of your RMD is based on the balance of your account and your life expectancy. You must use the Uniform Lifetime table to determine life expectancy unless your spouse is your sole primary beneficiary during the entire distribution calendar year and is more than 10 years younger than you. If these two scenarios apply, you may calculate your life expectancy using the Joint and Last Survivor table. Both tables are published in *IRS Publication 590, Individual Retirement Arrangements (IRAs)*.

Effective January 1, 2023, the IRS lowered the IRS penalty tax for missed RMDs to 25% and allows a further reduction to 10% if you correct the missed RMD in a timely manner (generally within two years). You may be able to have the penalty waived altogether if you can prove to the IRS that the shortfall was due to reasonable error and steps have been taken to correct it. If you missed an RMD, we encourage you to talk with your tax advisor to discuss your options.

\* The SECURE 2.0 Act defines the RMD age for individuals born in 1959 as both 73 and 75. We have included these individuals in the "RMD age 73" group noted above; however, this may change when the rule is corrected.

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**December 2022 Supplement:** Effective January 1, 2023, under new IRS federal income tax withholding rules, you must review *IRS Form W-4R* when making withdrawals from an IRA. The *IRS Form W-4P* no longer applies. Under the new rules, if you do not want us to apply the IRS default withholding rate of 10%, you must provide a W-4R election that meets IRS requirements or your withdrawal request will be rejected.

Location: Pages 11-12

Revision: Replace *Withdrawal Instructions* with the following:

When making a withdrawal from your SIMPLE IRA, you'll first need to consult IRS Form W-4R for guidance in determining the federal tax withholding rate that is appropriate for your tax situation. The IRS requires us to withhold 10% for federal tax unless you provide alternate instructions that meet W-4R election requirements. Keep in mind that the default rate may result in your having too much or too little withheld. Any amount withheld will be sent to the IRS as a credit towards your federal income taxes due for the calendar year in which your distribution was processed.

Exception: **Nonresident aliens** may not use the W-4R form.

#### **Redeeming by telephone**

You may call us with your redemption instructions. In addition to your name, Plan ID and the amount you want to withdraw, we will ask for the following information:

1. **Your reason for the distribution.** For example, "I'm 59½ years old," or "I'm taking a premature distribution," or "I'm going to roll over the proceeds to another IRA."
2. **Your withholding election for the distribution.** We encourage you to review the most current *IRS Form W-4R* available at [irs.gov/fw4r](https://irs.gov/fw4r) before calling. When you call, the Business Retirement Specialist will review W-4R withholding requirements and ask if you want the 10% default withholding rate, a different percentage, or zero withholding. You will need to provide a withholding election each time you request a distribution from your SIMPLE IRA.
3. **State tax withholding.** State tax will be withheld if, at the time of your payment, your tax residency is within one of the mandatory withholding states.

#### **Redeeming in writing**

Please submit your request on a *One-Time and Automatic Transaction* form or *IRA Required Minimum Distribution Request* form, which you can obtain by calling us or at [americancentury.com](https://americancentury.com). Be sure to provide all information requested on the form to ensure we have the information we need to process your request. You may be required to obtain a signature guarantee; please refer to the form for instructions or call us.

We will include a copy of the most current IRS Form W-4R available at the time you request our forms. Because the IRS changes the recommended withholding percentages each year, it is your responsibility to ensure that the copy provided with our form is still the most current W-4R available from the IRS by the time you remit any withdrawal request to us. Please review the W-4R form and then provide your W-4R election on our form.

- Special withholding rules apply if you live outside the United States. Please contact us prior to submitting your distribution request for more information regarding these rules.
- If a W-4R form and a distribution form are submitted together and there is a discrepancy in the withholding instructions, your withdrawal request will be rejected.
- If you submit a handwritten request with instructions to withhold at a rate other than the 10% default rate, you must include a completed W-4R form, and it must be the most current one available from the IRS. Otherwise, your request will be rejected for not meeting IRS W-4R election requirements.

State tax will be withheld if, at the time of your payment, your tax residency is within one of the mandatory withholding states.

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Location: Pages 15-16

Revision: Replace *Federal (and state) income tax withholding notice* with the following:

As required by law, distributions you receive from certain IRAs (including SIMPLE IRAs) are subject to federal income tax withholding at the IRS default rate of 10%. Tax will be withheld on the total amount withdrawn even though you may be receiving amounts that are not subject to withholding, such as nondeductible contributions. In such case, excess amounts of withholding could occur. You may need to adjust your withholding election so that a greater or lesser amount will be withheld.

You may elect a different withholding rate or request zero withholding by submitting an acceptable W-4R election with your distribution request. You may notify us of your W-4R election by telephone, on our distribution forms or the *IRS Form W-4R*, or through other approved electronic means. If your withholding election is for distributions made through an automatic withdrawal plan, you have the right to change your withholding election at any time.

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Remember, even if you elect not to have income tax withheld, you are liable for paying income tax on the taxable portion of your withdrawal. If you elect not to have income tax withheld or you don't have enough income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You can reduce or defer the income tax on a distribution by directly or indirectly rolling such distribution over to another IRA or eligible plan. You should consult your tax advisor for additional information.

State tax will be withheld if, at the time of your distribution, your tax residency is within one of the mandatory withholding states. State taxes will be withheld from your distribution in accordance with the respective state's rules.

**December 2022 Supplement:** Effective January 1, 2020, under the SECURE Act of 2019, if the IRA owner died after December 31, 2019, new distribution rules apply. However, the IRS has not finalized the changes.

Location: Multiple references

Revision: The agreement will be updated after the IRS finalizes the changes.

**November 2017 Supplement:** A SIMPLE IRA may accept a rollover contribution from a Traditional IRA, a SEP IRA, a governmental 457(b), a qualified plan under 401(a) or a 403(b) plan after the Participant's 2-year participation period in the SIMPLE IRA, as reflected in the September 2016 IRS "List of Required Modifications" for SIMPLE IRAs.

Location: Page 17

Revision: Under Article I, replace the current paragraph with the following:

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in Section 408(p). The Custodian will also accept transfers or rollovers from other SIMPLE IRAs of the Participant at any time. Additionally, beginning after December 18, 2015, and after the expiration of the 2-year period following the date the Participant first participated in the SIMPLE IRA, the Custodian will accept a rollover contribution from an eligible retirement plan. An eligible retirement plan is defined as a Traditional IRA under 408(a) or (b), a SEP IRA, a governmental 457(b) plan, a qualified plan under 401(a), or a 403(b) plan. No other contributions will be accepted by the Custodian.

**November 2017 Supplement:** The employer may authorize fee deduction from SIMPLE IRAs.

Location: Page 31

Revision: Under Article VIII, Section 16: *Taxes, Fees and Expenses*, replace paragraph (d) with the following:

- (d) The Participant or Participant's employer may authorize the Custodian to pay other expenses incurred by the Participant or Participant's employer out of the Custodial Account, including but not limited to fees of a registered investment Advisor for financial advisory services rendered to the Participant with respect to the assets held in the Custodial Account and fees for the performance of other administrative services, including services performed by an administrator appointed by the Participant's employer. The Participant or Participant's employer must specifically authorize the Custodian in writing, in a form and manner acceptable to the Custodian and Service Company, to pay such fees upon receipt of a statement from the Advisor or other service provider. The Custodian and Service Company shall not be required to inquire as to the actual performance of such services, the accuracy of the fee statement, the reasonableness of the fees for the services, or the regulation of such fees under federal or state law. The Custodian and Service Company shall be free from all liability to the Participant, any Beneficiary, or any other person for the payment of, or the failure or refusal to pay, such fees.

**February 2014 Supplement:** American Century Investments® will add a target-date fund as the investment default fund. Assets may be invested in the target-date fund if client instructions are unclear, in the absence of investment instructions, or if a fund is no longer available for the account. The target-date fund will be based on the client's year of birth and an assumed retirement age of 65.

Location: Page 9

Revision: Under *Investing in a SIMPLE IRA*, change paragraph 2:

If no investment instructions are received from you, or if the instructions are unclear, you may be requested to provide instructions. In the absence of such instructions, your investments may be invested in an American Century target-date fund based on your birth date and an assumed retirement age of 65. By investing your contributions in a target-date fund, as described above, American Century is not necessarily recommending that fund or any other particular investment strategy, and American Century is not making any suitability determinations based on your individual situation. Also, please keep in mind with respect to regulated investment company shares (e.g., mutual funds), American Century Investments cannot project or guarantee a specific rate of return or growth of share values, and principal amounts invested may be subject to market risk.

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Location: Page 21

Revision: Under Article VIII.1 Definitions, add new paragraph 5, additions to current paragraph 9, and delete current paragraph 11 (Money Market Fund).

"Ancillary Fund" means any mutual fund or registered investment company designated by Sponsor, which is (i) advised, sponsored or distributed by a duly licensed mutual fund or registered investment company other than the Custodian, and (ii) subject to a separate agreement between the Sponsor and such mutual fund or registered investment company, to which neither the Custodian nor the Service Company is a party; provided, however, that such mutual fund or registered investment company must be legally offered for sale in the state of the Depositor's residence.

"Fund" means any mutual fund or investment company registered under the Investment Company Act of 1940, as amended, which is advised, sponsored or distributed by Sponsor; provided, however, that such a mutual fund or registered investment company must be legally offered for sale in the state of the Depositor's residence. Subject to the provisions of Section 3 below, the term "Fund" includes an Ancillary Fund.

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Location: Page 22

Revision: Under Article VIII.3 Investments, add new paragraph 2, revise current paragraph 2; page 23, additions to paragraph 4.

The parties to this Agreement recognize and agree that the Sponsor may from time-to-time designate an Ancillary Fund in which all or a portion of the contributions to a Custodial Account may be invested and reinvested. Despite any contrary provision of this Agreement, neither the Custodian nor the Service Company has any discretion with respect to the designation of an Ancillary Fund.

The Service Company shall be responsible for promptly transmitting all investment directions by the Depositor for the purchase or sale of shares of one or more Funds hereunder to the Funds' transfer agent for execution. However, if investment directions with respect to the investment of any contribution hereunder are not received from the Depositor as required or, if received, are unclear or incomplete in the opinion of the Service Company, the contribution will be invested in an Ancillary Fund if available pending clarification or completion by the Depositor without liability for interest or for loss of income or appreciation. Contributions shall continue to be invested in such Ancillary Fund if available unless subsequent contrary instructions, in a form acceptable to Service Company, to invest in another Fund are received by Service Company. If any other directions or other orders by the Depositor with respect to the sale or purchase of shares of one or more Funds are unclear or incomplete in the opinion of the Service Company, the Service Company will refrain from carrying out such investment directions or from executing any such sale or purchase, without liability for loss of income or for appreciation or depreciation of any asset, pending receipt of clarification or completion from the Depositor.

If any Fund held in the Custodial Account is liquidated or is otherwise made unavailable by the Sponsor as a permissible investment for a Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Depositor. If the Depositor does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Service Company, the Service Company may invest such liquidation or other proceeds in such other Fund (including an Ancillary Fund if available) as the Sponsor designates, and provided that the Sponsor gives at least thirty (30) days advance written notice to the Depositor and the Service Company. In such case, neither the Service Company, Sponsor, nor the Custodian will have any responsibility for such investment.

**December 2014 Supplement:** One 60-day rollover is allowed every 365 days, regardless of how many IRAs are owned.

Location: Page 7

Revision: Under *Rollover Guidelines*, replace the second bullet with the following:

- The IRS limits rollovers to one time every 365 days (measured from the date of distribution) regardless of how many IRAs you own at the same or different financial institutions.

# Disclosure Statement and Custodial Agreement

SIMPLE IRA



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# Disclosure Statement

## Revocation: Right to Cancel

You have the right to cancel ("revoke") your Savings Incentive Match Plan for Employees Individual Retirement Account (SIMPLE IRA) for any reason within seven days of the time we receive your initial application. Any contributions received from you for your SIMPLE IRA during the seven-day period will be refunded in full. To cancel your SIMPLE IRA, mail a letter stating, "I hereby elect to revoke my SIMPLE IRA with American Century Investments." Sign your name exactly as it appears on your application and send the letter to:

**SIMPLE IRA Investors:**  
**American Century Investments**  
P.O. Box 419385  
Kansas City, MO 64141-6385  
Fax: 816-340-4655

**SIMPLE IRA Investors Using an Advisor:**  
**American Century Investments**  
P.O. Box 419746  
Kansas City, MO 64179-1030  
Fax: 816-340-4360

Your letter will be considered mailed on the date of postmark, or the date of registration or certification if you send it by registered or certified mail.

The Disclosure Statement and Custodial Agreement contain important information about investing in SIMPLE IRAs. Please read them carefully before investing. For an interpretation of the applicable tax laws, contact your tax advisor or district IRS office. *IRS Publication 590, Individual Retirement Arrangements (IRAs), and Publication 560, Retirement Plans for Small Businesses*, contain more detailed information about IRAs.

**As required by law, the assets of your SIMPLE IRA are held in a custodial account by the Custodian, State Street Bank and Trust Company, which invests your contributions in any of the investment vehicles you choose which are available through the American Century Investments® SIMPLE IRA.**

## SIMPLE IRA

This Disclosure Statement describes the rules applicable to SIMPLE IRAs, as most recently revised by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. This Disclosure Statement does not describe Traditional, Roth or other IRAs you can establish. If you would like to establish a Traditional, Rollover, Roth, SEP or SARSEP IRA, contact American Century Investments for the appropriate forms.

A SIMPLE IRA is a retirement plan under which you and your employer make contributions. An eligible employer can set up a SIMPLE IRA plan by completing IRS Form 5305-SIMPLE or 5304-SIMPLE. The form explains the rules and regulations relating to SIMPLE IRAs.

A SIMPLE IRA provides tax advantages for setting aside money for your retirement. Within IRS limits, contributions under your employer's SIMPLE IRA plan to your SIMPLE IRA are not taxable income to you until withdrawn. Earnings on the assets held in your SIMPLE IRA are not subject to federal income tax until withdrawn by you. State income tax treatment of your SIMPLE IRA may differ from federal treatment; consult your tax advisor or state tax department for details.

## **SIMPLE IRA plan information from your employer**

As part of operating a SIMPLE IRA plan, your employer is required to give you two kinds of information. First, your employer should give you a summary description of the main features of the employer's SIMPLE IRA plan, including information about any eligibility requirements your employer imposes. This summary description may include a copy of IRS Form 5305-SIMPLE or 5304-SIMPLE as completed by your employer to establish its SIMPLE IRA plan, or it may be in a different format. Also, your employer should give you a copy of a notice stating how much the employer will contribute to participants' SIMPLE IRAs for the plan year.

## **Eligibility**

### **Employer eligibility**

SIMPLE IRA plans are only for employers with 100 or fewer employees who earned at least \$5,000 during the prior calendar year. For this purpose, separate employers that are related by common ownership under IRS "controlled group" rules are considered a single employer. (There are certain additional rules; these are described in the SIMPLE IRA plan summary description your employer should provide you.)

Your employer determines if it is eligible to establish a SIMPLE IRA plan. An employer may have a SIMPLE IRA plan only if it has no other retirement plan at any time when the SIMPLE IRA plan is in operation. "Retirement plans" for this purpose include profit sharing, 401(k) and other kinds of plans that receive tax benefits (as an exception to this rule, unionized employees may participate in a separate retirement plan under the collective bargaining agreement and the employer could have a SIMPLE plan for non-union employees.)

### **Employee eligibility**

Generally speaking, all of the employer's employees must participate in the SIMPLE IRA plan. However, employees who are non-resident aliens receiving no U.S. source income may not participate in a SIMPLE IRA plan. The employer may also exclude:

- An employee who did not receive at least \$5,000 in pay from the employer in at least two prior calendar years (not necessarily consecutive);
- An employee who is not reasonably expected to receive at least \$5,000 in pay from the employer for the current calendar year;
- Union employees, provided that there was good faith bargaining over the issue of retirement benefits.

The employer may impose less restrictive eligibility requirements. The summary description of your employer's SIMPLE IRA plan should indicate whether these groups of employees will be included or excluded from the employer's SIMPLE IRA plan.

### **Eligibility requirements for a minor**

A SIMPLE IRA may be established for an individual who has compensation and has not attained the age of majority under state law. An adult may establish the SIMPLE IRA by completing the application on behalf of the minor and will be designated as the "Responsible Individual" for the account. The Responsible Individual will act on behalf of the minor regarding the administration, management and distribution of the SIMPLE IRA until the minor reaches the age of majority.

## SIMPLE IRA Contributions

Two kinds of contributions are permitted: (i) employee salary reduction contributions and (ii) employer contributions, which may be either matching or nonelective contributions. Contributions to a SIMPLE IRA are immediately 100% vested.

### Employee contributions

**Employee salary reduction contributions.** If you are an eligible employee, you may elect to have a percentage of your pay contributed by your employer to your SIMPLE IRA, as long as the amount does not exceed the maximum annual SIMPLE IRA employee contribution limit.

Each year Congress sets employee contribution limits for SIMPLE IRAs. Find the limit for the tax year in which you are investing at [americancentury.com](https://www.americancentury.com) or [irs.gov](https://www.irs.gov).

You may elect the desired percentage of pay to contribute in a salary reduction agreement (your employer will have a form for you to use). Salary reductions may be made only from pay you earn after signing the salary reduction agreement and may not exceed 100% of your income.

Your salary reduction contributions must be transferred to your SIMPLE IRA as soon as your employer can reasonably do so, but in no event later than the 30th day of the month following the month you otherwise would have received the pay amount.

### Catch-up provision

Individuals age 50 and older may make catch-up contributions to their SIMPLE IRA in addition to their maximum annual contributions. To be eligible for the catch-up contribution, you must turn 50 before the end of the tax year for which the contribution is designated. Consult your employer or *IRS Publication 560, Retirement Plans for Small Business* for more information.

Find the maximum catch-up contribution limit for the tax year in which you are investing at [americancentury.com](https://www.americancentury.com) or [irs.gov](https://www.irs.gov).

### Retirement savings contribution credit

If your income is below certain AGI limits, you may be eligible for a tax credit for making salary reduction contributions to a SIMPLE IRA plan. You can review the requirements in *IRS Publication 590, Individual Retirement Arrangements (IRAs)*.

### Employer contributions

For each year that it operates a SIMPLE IRA plan, your employer must make contributions on behalf of eligible employees. The employer may choose either matching or nonelective contributions for a particular calendar year.

**Matching contributions.** If your employer makes matching contributions, you must make salary reduction contributions from your own pay in order to receive a matching contribution from your employer. Your employer will match your contributions, dollar for dollar, up to 3% of your pay for the calendar year. The employer may elect to reduce this matching contribution below the 3% limit for the calendar year, provided the matching contribution percentage (i) is not reduced below 1%, (ii) is not reduced for more than two out of five calendar years, and (iii) the employer notifies you within a reasonable time in advance of the employee election period for your SIMPLE IRA plan. Your employer decides the matching contribution percentage limit (subject to certain IRS requirements).

**Nonelective contributions.** If your employer decides to make nonelective contributions, it must contribute 2% of your pay for the calendar year, provided you receive at least \$5,000 in pay from the employer for the calendar year (or an amount less than \$5,000, if elected by your employer), regardless of whether you elect to make salary reduction contributions. For this purpose only, the pay is subject to an IRS limit.

Each year Congress sets employer contribution limits for SIMPLE IRAs and other employer-sponsored plans. Find the limit for the tax year you are investing at [americancentury.com](http://americancentury.com) or [irs.gov](http://irs.gov).

Your employer must notify you of the contribution approach it has elected for a particular calendar year in advance of that year. Employer contributions must be transferred to your SIMPLE IRA no later than the due date (including any extensions) for the employer to file its federal income tax return for the year.

**Excess contributions**

Any amount contributed to your SIMPLE IRA above the maximum limit is considered an “excess contribution.” An excess contribution is subject to an excise tax of 6% for each year it remains in your SIMPLE IRA. An excess contribution may be corrected without paying a 6% penalty. To do so, you must withdraw the excess and any earnings on the excess before the deadline (including extensions) for filing your federal income tax return for the year for which you made the excess contribution. Earnings on the excess amount must also be withdrawn. (Refer to *IRS Publication 590, Individual Retirement Arrangements (IRAs)* to see how the amount you must withdraw to correct an excess contribution may be adjusted to reflect gain or loss.) Earnings that are a gain must be included in your income for the tax year for which the contribution was made and the earnings may be subject to a 25% premature withdrawal penalty within the first two years after the date of the first contribution to your SIMPLE IRA, 10% thereafter. This penalty is in addition to normal income taxes (see “IRS Penalties” below).

Any excess contribution withdrawn after the tax return filing deadline (including any extensions) for the year for which the contribution was made will be subject to the 6% excise tax. There will be an additional 6% excise tax for each year the excess remains in your account. Any such excess contributions must be reported to the IRS (see “Tax Filings” below).

Under limited circumstances, you may correct an excess contribution after the deadline for the tax year by withdrawing the excess contribution (leaving the earnings in the account). This withdrawal will not be includible in income nor will it be subject to any premature withdrawal penalty if your contributions to all SIMPLE IRAs do not exceed the Contribution Limit (plus the “catch-up” contribution, if eligible).

Transfers, Rollovers, Conversions and Recharacterizations

A transfer is a movement of IRA assets directly from one fiduciary to another. Because you do not take physical receipt of the money, the transaction is not a taxable event. You may transfer IRA money as often as you wish.

During the first two years beginning with the date the first contribution is received in your SIMPLE IRA, you may transfer only to another SIMPLE IRA. After the two-year period has expired, you may transfer to another type of IRA or employer-sponsored retirement plan, if the plan accepts such transfers.

Certain transfer rules depend on whether your employer has established its SIMPLE IRA plan with a “designated financial institution”. The summary description or other information provided to you by your employer should indicate whether your employer’s SIMPLE IRA plan uses a designated financial institution.

With a designated financial institution, all contributions are initially paid to that institution. However, you have the right to elect to have contributions to your SIMPLE IRA account with the designated financial institution transferred to another SIMPLE IRA you have established at another institution. If your election is made during the 60-day period when you elect your salary reduction contributions to the plan for a calendar year, contributions for that calendar year will be transferred without cost or penalty. Pending transfer from the designated financial institution to the SIMPLE IRA you have established to receive transferred contributions, the contributions for you may be invested in a specified investment, such as a money market fund, and you may have no other choice of investments. Other transfers may be made to another SIMPLE IRA or Traditional IRA, but they will be subject to normal fees of the Custodian as well as to redemption or other charges imposed by the mutual fund in which contributions are invested (as described in its prospectus). More information on this subject can be found in the summary description of your employer’s SIMPLE IRA plan.

### **Transfer to American Century Investments**

To transfer a SIMPLE IRA to American Century Investments, download the *Request to Transfer/Rollover* form at [americancentury.com](http://americancentury.com) or contact us to request it. You must establish your American Century Investments SIMPLE IRA with a completed account application before money is transferred.

### **Transfer from American Century Investments**

You may transfer your SIMPLE IRA from American Century Investments to a successor custodian in one of two ways:

1. **Direct transfer:** Contact the custodian or trustee of your other IRA for required forms. Your request will be processed on the day we receive all properly completed documents.
2. **Rollover:** Request a redemption from us and send the proceeds to the new custodian or trustee of your new IRA.

### **Rollover guidelines**

Rules relating to rollovers and their tax implications are complex. We suggest you consult with your tax advisor before taking any action.

In addition to the advice of your tax advisor and the transfer rules for SIMPLE IRAs outlined above, these general rules should be followed when you make a rollover, that is, take a distribution of all or part of the assets from one retirement plan account (including a SIMPLE IRA) and move them to another.

- The rollover must be completed by the 60th day after the day you receive the assets from the first IRA.
- IRA assets may be rolled over between IRAs only once every 365 days (measured from the date of distribution). This rule applies to each IRA you have established.
- The same property distributed from one retirement plan (other than cash) must be rolled over to an IRA or other retirement plan.

- Any required minimum distributions you receive because you are age 70½ or older are not eligible for rollover treatment.
- No tax is paid if the rollover is completed on time (unless the rollover is made to a Roth IRA); however, rollovers between IRAs and retirement plans are required to be reported on your federal tax return.

## Converting a SIMPLE IRA to a Roth IRA

During the first two years after the date of the first contribution to your SIMPLE IRA, you may transfer only to another SIMPLE IRA. After such two-year period is complete, you can convert all or part of a SIMPLE IRA into a Roth IRA. The pre-tax amounts you distribute from your SIMPLE IRA are taxed as income; therefore, the rollover is not tax free. However, once you are invested in the Roth IRA, you may enjoy penalty-free distributions of the assets you rolled over and tax-free qualified withdrawals from your Roth IRA as long as you have maintained a Roth IRA for five years and you are age 59½ or older. The 10% premature distribution penalty tax does not apply to the amount converted.

You can convert amounts from a SIMPLE IRA to a Roth IRA in any of the following three ways:

- **Rollover.** You can receive a distribution from a SIMPLE IRA and roll it over (contribute it) to a Roth IRA within 60 days after the distribution.
- **Custodian-to-Custodian transfer.** You can direct the custodian of your SIMPLE IRA to transfer an amount from the SIMPLE IRA to the custodian of your Roth IRA.
- **Same Custodian transfer.** If the Custodian of your SIMPLE IRA also maintains your Roth IRA, you can direct the Custodian to transfer an amount from your SIMPLE IRA to your Roth IRA.

For more information about converting your SIMPLE IRA to a Roth IRA, please review your options at [americancentury.com](http://americancentury.com) or contact us.

## Recharacterizing an amount previously converted to a Roth IRA

To recharacterize a Roth IRA is to move all or a portion of converted money back into a Traditional IRA (including a SIMPLE IRA). You may choose to recharacterize a Roth IRA contribution if you determine you exceed the AGI limits or decide you would rather fund your SIMPLE IRA or other Traditional IRA instead of a Roth IRA.

You may recharacterize the conversion or contribution amount prior to your automatic extension for filing your tax return, generally October 15. This amount plus any gains or losses attributable to it must be moved back to a SIMPLE or other Traditional IRA. Assets that are converted and then recharacterized in the same tax year cannot be reconverted until the following tax year or for 30 days, whichever is longer.

## Investing in a SIMPLE IRA

Contributions to your SIMPLE IRA must be made in cash (e.g., check or electronic transfer). Your SIMPLE IRA contributions will be invested in the investments you specify, as allowed by the Custodial Agreement. As with any investment, you should read any publicly available information (e.g., the prospectus, annual reports, etc.) that would enable you to make an informed investment decision.

If no investment instructions are received from you, or if the instructions are unclear, you may be requested to provide instructions. In the absence of such instructions, your investments may be invested in an American Century Investments money market fund. Please keep in mind with respect to regulated investment company shares (e.g., mutual funds), American Century Investments cannot project or guarantee a specific rate of return or growth of share values, and principal amounts invested may be subject to market risk.

### How to submit your contribution

You must first establish your American Century Investments SIMPLE IRA by completing the appropriate SIMPLE IRA account application. Your employer is responsible for submitting contributions on your behalf. No contribution can be accepted until your account application has been properly completed, signed, dated and received by American Century Investments.

The following information should be included with your contribution:

- **Tax year** — Your employer must indicate the year for which your contribution applies. If no indication is made, the Custodian will regard it as a contribution for the year in which it is received.
- **Contribution type** — Your employer must indicate whether the investment is an employee salary reduction contribution or an employer contribution. It is the responsibility of you and your employer to be certain that no contributions are made in excess of IRS limits.

Information regarding how much you are eligible to contribute to your SIMPLE IRA can be found earlier in this booklet.

Your salary reduction contributions must be transferred to your SIMPLE IRA as soon as your employer can reasonably do so, but in no event later than the 30th day of the month following the month you otherwise would have received the pay amount. Employer contributions must be transferred to your SIMPLE IRA no later than the due date (including any extension) for the employer to file its federal income tax return for the year.

## Withdrawing From Your SIMPLE IRA

You can take money out of your SIMPLE IRA at any time. Withdrawals can be made in a lump sum, partial payments or installments. Your age, the type of contributions in your SIMPLE IRA and the timing of your distribution will determine if a withdrawal is subject to income tax and/or a penalty tax.

### Taxation

Regardless of when you take out your money, amounts withdrawn by you are includible in your gross income in the taxable year that you receive them, and are taxable as

ordinary income. Lump sum withdrawals from SIMPLE IRAs are not eligible for averaging treatment currently available to certain lump sum distributions from qualified employer retirement plans.

## Removing money designated as nondeductible

If you take money out of your SIMPLE IRA and you previously made nondeductible contributions to a Traditional IRA, you will not have to pay income taxes on part of the amount you take out. This is because you have already paid taxes on the amount that you designated nondeductible. See IRS Form 8606 or your tax advisor to determine the amount of your distribution that is taxable.

## IRS penalties

Since the purpose of the SIMPLE IRA is to accumulate funds for retirement, your receipt or use of any portion of your SIMPLE IRA before you attain age 59½ generally will be considered as an early withdrawal and subject to a 10% penalty tax. **The penalty tax is increased to 25% if you take money out of your SIMPLE IRA within the two-year period beginning with the first contribution to your SIMPLE IRA.**

If you are over age 59½ and the two-year participation period in your SIMPLE IRA has expired, you may generally withdraw all or any part of your money without penalties.

If the two-year participation period in your SIMPLE IRA has expired but you are under age 59½, a 10% premature distribution penalty tax may apply to the amount of money you withdraw (in addition to income tax), unless at least one of the following applies:

- You are permanently and totally disabled.
- The amount is rolled over within 60 days to another IRA or qualified plan.
- You remove the money in one of a scheduled series of substantially equal payments over your life expectancy or the joint life expectancies of you and your beneficiary.
- You have significant unreimbursed medical expenses.
- You qualify for the medical insurance costs exception.
- You remove an amount not more than your qualified higher education expenses.
- You remove money to buy, build or rebuild a first home.
- You recharacterize a contribution.
- You are eligible to make a qualified reservist distribution.

See *IRS Publication 590, Individual Retirement Arrangements (IRAs)*, for more details regarding your ability to qualify for any of these exceptions.

## Required minimum distributions from your SIMPLE IRA

Once you are age 70½, you must begin taking a minimum amount (“distribution”) from your SIMPLE IRA every year. In the first year, you can delay taking your distribution until April 1 of the year after you reach age 70½ (your required beginning date).

If you decide to delay your first distribution (i.e., take it between January 1 and April 1 of the year after you reach age 70½), the IRS requires that you take your distribution for both the current year and the prior year in that year.



The amount of your required minimum distribution is based on the balance of your account and your life expectancy. You must use the Uniform Lifetime table to determine life expectancy unless your spouse is your sole primary beneficiary during the entire distribution calendar year and is more than 10 years younger than you. If these two scenarios apply, you may calculate your life expectancy using the Joint and Last Survivor table. Both tables are published in *IRS Publication 590, Individual Retirement Arrangements (IRAs)*.

If you do not take out at least the required minimum amount in any year after you reach age 70½, the IRS may assess a penalty that is equal to 50% of the difference between the minimum amount you were supposed to take out and the actual amount you took out.

## Reinvested Dividends and Capital Gains

All dividends and capital gains or other distributions received on your SIMPLE IRA will be reinvested in full and fractional shares. The payment of dividends and/or capital gains distributions in cash is not available for your American Century Investments SIMPLE IRA.

## Withdrawal Instructions

### Redeeming by telephone

You may call us with your redemption instructions. We will ask for the following information:

1. **Your reason for the distribution.** For example, “I’m 59½ years old,” or “I’m taking a premature distribution,” or “I’m going to roll over the proceeds to another IRA.”
2. **Your withholding election for the distribution.** Your roll over distribution is subject to federal income tax withholding at the minimum rate of 10% unless you provide instructions not to withhold. When you call, the Business Retirement Specialist will review the withholding requirements with you and ask for your withholding election. You will need to provide a withholding election each time you request a distribution by telephone from your SIMPLE IRA. You may request to have none or any percentage withheld. If you do not want federal taxes withheld from your distribution, tell us, “I do not want to have federal income tax withheld from my SIMPLE IRA distribution.”
3. **State tax withholding.** American Century Investments will withhold state tax if, at the time of your payment, your address is within one of the mandatory withholding states and you have federal income tax withheld (or as otherwise required by state law). State taxes will be withheld from your distribution in accordance with the respective state’s rules. When you call, the Business Retirement Specialist will review any withholding requirements applicable to you.

### Redeeming in writing

Complete an American Century Investments *One-Time and Automatic Transaction* form or write a letter that includes:

1. Your name.
2. The Plan ID number of your SIMPLE IRA from which you want to take the money.
3. The dollar amount you want to withdraw.

4. Your reason for the distribution. (For example, "I'm 59½ years old," or "I'm taking a premature distribution," or "I'm going to roll the money over to another IRA.")
5. In addition, with your letter, you must send a completed IRS Form W-4P or a written statement indicating whether you want us to withhold federal taxes from your SIMPLE IRA distribution. You may request to have none or any percentage of income tax withheld.

If you do not want withholding imposed on your distribution, you will need to provide a withholding election each time you request a distribution from your SIMPLE IRA. Otherwise, if you do not provide a withholding election with your written distribution request, the IRS requires American Century Investments to withhold 10% from your redemption proceeds. The amount withheld will be immediately forwarded to the IRS as a credit towards your federal income taxes due for the calendar year in which your distribution was processed.

Special withholding rules apply if you live outside the United States. Please contact us prior to submitting your distribution request for more information regarding these rules.

6. State Tax Withholding: American Century Investments will withhold state tax if, at the time of your payment, your address is within one of the mandatory withholding states and you have federal income tax withheld (or as otherwise required by state law). State taxes will be withheld from your distribution in accordance with the respective state's rules.
7. Your signature.
8. If your distribution amount is more than \$100,000, or you direct your distribution be made payable to someone other than yourself, or you have changed your address within 15 days prior to American Century Investments receipt of your distribution request and the proceeds are to be remitted to you by check, a signature guarantee may be required.

## **Methods of payment**

You may request your money by check or, if you have authorized it, by electronic funds transfer or wire. You also may request that we reinvest the amount taken from your SIMPLE IRA into a regular investment account (non-IRA), subject to the fund's minimum investment requirement, instead of sending you a check. Either way, the amount you receive may be subject to ordinary income tax and/or a penalty tax.

You may choose automatic cash payments to you through our automatic withdrawal plan. Amounts taken under this plan must be at least \$50 each and can be taken periodically.

You can direct in writing that a distribution from your SIMPLE IRA be mailed directly to another address or, with your signature guaranteed, made payable to another person, corporation or entity.

## **Signature guarantee**

A signature guarantee is a warranty by the guarantor that the signature is genuine and that the person signing is competent and authorized to sign. Many domestic banks, trust companies, credit unions, brokers, dealers, national securities exchanges, registered securities associations, clearing agencies and savings associations can provide a signature guarantee for you. The signature must correspond in every way, without alteration, with the name printed on the current account registration. Each guarantee must be an original ink stamp that states "Signature Guaranteed/Medallion Guaranteed."

*NOTE: Acknowledgement of signature by a notary public is NOT acceptable.*

## Fees That May Apply

### Custodial fee

Your SIMPLE IRA assets are held in a custodial account by the Custodian, State Street Bank and Trust Company. The Custodian will charge the applicable fee noted below if your eligible investments at American Century Investments total less than \$10,000.

- If your retirement plan is invested in no-load shares, you will be charged \$15 *per fund* annually.
- If your retirement plan is invested in load shares, you will be charged a \$15 annual fee.

The custodial fee is waived if your eligible investments total \$10,000 or more. We will calculate your total eligible investments on the second Friday of November each year. If your investments' total value is less than \$10,000 at that time, we will redeem shares to pay the fee.

In determining your total eligible investments, we will include all personal accounts registered under your Social Security number. Personal accounts include individual, joint, UGMA/UTMA, personal trusts, Coverdell Education Savings Accounts, Traditional, Rollover, Roth, SEP, SARSEP and SIMPLE IRAs, 403(b) and governmental 457(b) custodial accounts, but no other retirement accounts.

If you are a joint owner or custodian of an account listed under someone else's Social Security number, we will calculate those assets as part of that person's eligible investments, and not yours.

## Beneficiaries

### Naming beneficiaries

You can name one or more beneficiaries to whom the balance of your SIMPLE IRA will be paid when you die. To do so, just fill out the designation of beneficiary section on your SIMPLE IRA account application. For multiple beneficiaries, please complete our *Designation of Beneficiary* form.

Your designation of beneficiaries will not be effective until received and accepted by American Century Investments. Review your designation periodically, especially if there is a change in your family status, such as marriage, divorce, death of a family member, or birth or adoption of children.

**Important Note:** In the event of a divorce, if your former spouse has been designated as a beneficiary on the Custodial Account, such designation is automatically revoked. You may re-designate your former spouse as a beneficiary, but must submit a new designation of such person as beneficiary after your divorce becomes final. Such designation is effective when filed with and accepted by American Century Investments. Except as provided in the preceding sentence, a beneficiary designation is not affected by any other executed documents or agreements such as, but not limited to, pre-nuptial agreements or other court orders.

You may change your beneficiary at any time by filling out a new form and sending it to us. Any new designation will revoke any prior designations to all accounts in the same type of IRA for which you complete the designation form.

Your beneficiary has the same right to name beneficiaries as you had before your death.

## **Payments if no beneficiary is named**

If you do not name beneficiaries, or if all your beneficiaries die before you or disclaim, the Custodian will pay your SIMPLE IRA to your spouse first. If you have no spouse, then the money will go to your surviving children. If you have no surviving children, the money will be paid to your estate. This same ordering rule applies to your beneficiary after your death if they do not designate a beneficiary or all of their designated beneficiaries pre-decease them or disclaim.

## **Special rules for surviving spouses and other beneficiaries**

If you die and your spouse is your beneficiary, he or she can transfer all or part of the death benefit from your SIMPLE IRA to an IRA in his or her name.

Nonspouse beneficiaries cannot transfer all or part of the death benefit from your SIMPLE IRA to an IRA in his or her name. The beneficiary will need to take required minimum distributions from the inherited IRA.

## **Tax Filings**

Depending on the type of activity in your SIMPLE IRA, you may need to file one or more of the IRS forms listed below. See instructions on each form for additional reporting requirements and other information.

### **IRS Forms 1040, 1040A or 1040NR**

Report the following events on your annual federal tax return if you:

- Took a taxable distribution from your SIMPLE IRA
- Converted from a SIMPLE IRA or other Traditional IRA to a Roth IRA

If a penalty tax is due, you may be required to file IRS Form 5329. See the instructions for IRS Form 1040, IRS Form 1040A or 1040NR for more information.

### **IRS Form 8606**

File this form with your federal tax return if you:

- Convert assets in a SIMPLE IRA or other Traditional IRA to a Roth IRA
- Recharacterize amounts converted to a Roth IRA
- Take a distribution from a SIMPLE IRA or other Traditional IRA and you previously made nondeductible contributions to a Traditional IRA.

There is a \$100 penalty for overstating a nondeductible contribution and \$50 penalty for failing to file IRS Form 8606 unless it was due to reasonable cause.

### **IRS Form 5329**

You may be required to file this form with your federal tax return any year you are required to pay an additional income tax or penalty tax. See the instructions for IRS Form 5329.

## Other Disclosures

1. The custodian or trustee of your SIMPLE IRA must be a bank or other institution or person that has satisfied the Secretary of the Treasury that it is able to administer your SIMPLE IRA in accordance with tax laws.
2. None of the money in your SIMPLE IRA may be invested in life insurance contracts or most “collectibles”. The only exception involves certain types of government-sponsored coins or certain types of precious metal bullion as described in Section 408(m)(3) of the Internal Revenue Code.
3. Your money in the SIMPLE IRA is all yours and cannot be forfeited.
4. The assets of your SIMPLE IRA may not be blended with your other assets or the assets of other individuals, except that you may invest your SIMPLE IRA in a common trust fund or common investment fund, such as a mutual fund.
5. **Prohibited transactions.** If you make transactions that are prohibited by law, such as borrowing money from your SIMPLE IRA or any other prohibited transaction listed in Section 4975 of the Internal Revenue Code, your SIMPLE IRA will lose its tax advantages. In this instance, the fair market value of your SIMPLE IRA will be includible in your taxable income in the year in which the prohibited transaction takes place and the amount may be subject to a penalty tax. If you pledge all or any part of your SIMPLE IRA as security for a loan, the amount you pledge will be treated as having been distributed to you. You also will have to pay a 10% penalty tax, unless you are age 59½ or older or permanently and totally disabled at the time the prohibited transaction occurs. The penalty tax will be increased to 25% if the prohibited transaction occurs within the two-year period beginning with the first contribution to your SIMPLE IRA.

### IRS approval

The terms contained in Articles I to VII of the American Century Investments SIMPLE Individual Retirement Account Custodial Agreement have been promulgated by the IRS in Form 5305-SA, and subsequent guidance, for use in establishing an IRA custodial account that meets the requirements of the tax laws for a valid SIMPLE IRA. This IRS approval relates only to the form of Articles I to VII and is not an approval of the merits of the SIMPLE IRA or of any investment permitted by the SIMPLE IRA.

### Additional tax information

The act of naming beneficiaries to receive a benefit from your SIMPLE IRA following your death will not be treated as a gift subject to gift tax. The value of your SIMPLE IRA may be subject to federal estate tax. Some states and localities may have tax, community property or other laws that are different from the federal laws for IRAs. Those laws aren't covered in this Disclosure Statement. Consult your tax advisor for additional information.

### Federal (and state) income tax withholding notice

As required by law, distributions you receive from certain IRAs (including SIMPLE IRAs) are subject to federal income tax withholding, unless you elect not to have withholding apply. Tax will be withheld on the total amount withdrawn even though you may be receiving amounts that are not subject to withholding, such as nondeductible contributions. In such case, excess amounts of withholding could occur. You may adjust your withholding election so that a greater or lesser amount will be withheld.

If you don't want us to withhold on this amount, you must notify us to not withhold the federal income tax. You may notify us in writing or in certain situations by telephone or through other electronic means. You have the right to revoke your withholding election at any time.

Remember, even if you elect not to have income tax withheld, you are liable for paying income tax on the taxable portion of your withdrawal. If you elect not to have income tax withheld or you don't have enough income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You can reduce or defer the income tax on a distribution by directly or indirectly rolling such distribution over to another IRA or eligible plan. You should consult your tax advisor for additional information.

State tax will be withheld if, at the time of your distribution, your address is within one of the mandatory withholding states and you have federal income tax withheld. State taxes will be withheld from your distribution in accordance with the respective state's rules.

### **Additional information**

The information in this Disclosure Statement reflects the best information available at the time of preparation. However, SIMPLE IRAs are governed by complex provisions of the Internal Revenue Code and IRS rules. Consult your tax advisor or the IRS on any questions you have about a SIMPLE IRA plan or about the most recent IRS developments.

# American Century Investments® SIMPLE Individual Retirement Account Custodial Agreement

## State Street Bank and Trust Company, Custodian

The following provisions of Articles I to VII are in the form promulgated by the Internal Revenue Service in Form 5305-SA (Rev. March 2002), as most recently updated by a June 2010 IRS "List of Required Modifications," for use in establishing a Savings Incentive Match Plan for Employees Individual Retirement Account ("SIMPLE IRA"). References are to sections of the Internal Revenue Code of 1986, as amended ("Code").

State Street Bank and Trust Company will accept appointment as Custodian of the Participant's Custodial Account. However, this Agreement is not binding upon the Custodian until the Participant has received a statement confirming the initial transaction for the Custodial Account. Receipt by the Participant of a confirmation of the purchase of the Fund shares indicated above will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Participant's Custodial Account. The Individual Retirement Custodial Account ("IRA") is established under Sections 408(a) and 408(p) of the Code and is to provide for the retirement of the Participant and, after the Participant's death, for the support of his or her Beneficiaries. The Participant and the Custodian make the following agreement:

### **Article I.**

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in Section 408(p). In addition, the Custodian will accept transfers or rollovers from other SIMPLE IRAs of the Participant. No other contributions will be accepted by the Custodian.

### **Article II.**

The Participant'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.

- (a) Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in the Custodial Account shall be made in accordance with the following requirements and shall otherwise comply with Code Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference. The required minimum distributions calculated for this IRA may be withdrawn from another IRA of the Participant in accordance with Q&A-9 of Section 1.408-8 of the Income Tax Regulations. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C), the preceding sentence and paragraphs (b), (c) and (d) below do not apply.
- (b) The Participant's entire interest in the Custodial Account must be, or begin to be, distributed by April 1 following the calendar year in which the Participant attains age 70½ (the "required beginning date"). By that date, the Participant may elect, in a manner acceptable to the Custodian, to have the balance in the Custodial Account distributed in (1) A single sum payment or (2) Payments over a period not longer than the life of the Participant or the joint lives of the Participant and his or her designated Beneficiary.
- (c) The amount to be distributed each year, beginning with the calendar year in which the Participant attains age 70½ and continuing through the year of death, shall not be less than the quotient obtained by dividing the value of the IRA (as determined under paragraph (g) below) as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Code Section 1.401(a)(9)-9 of the Income Tax Regulations, using the Participant's age as of his or her birthday in the year. However, if the Participant's sole designated Beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Participant, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Code Section 1.401(a)(9)-9, using the ages as of the Participant's and spouse's birthdays in the year.
- (d) The required minimum distribution for the year the Participant attains 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.
- (e) Death On or After Required Beginning Date. If the Participant dies on or after the required beginning date, the remaining portion of his or her interest will be distributed at least as rapidly as follows:
  - (1) If the designated Beneficiary is someone other than the Participant's surviving spouse, the remaining interest will be distributed over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the Beneficiary's age as of his or her birthday in the year following the year of the Participant's death, or over the period described in paragraph (e)(3) below if longer.
  - (2) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the remaining interest will be distributed over such spouse's life expectancy or over the period described in paragraph (e)(3) below if longer. Any interest remaining after such spouse's death will be distributed over such spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death, or, if the distributions are being made over the period described in paragraph (e)(3) below, over such period.
  - (3) If there is no designated Beneficiary, or if applicable by operation of paragraph (e)(1) or (e)(2) above, the remaining interest will be distributed over the Participant's remaining life expectancy determined in the year of the Participant's death.



(4) The amount to be distributed each year under paragraph (e)(1), (2) or (3), beginning with the calendar year following the calendar year of the Participant's death, is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's or Participant's age in the year specified in paragraph (e)(1), (2) or (3) and reduced by 1 for each subsequent year.

(f) **Death Before Required Beginning Date.** If the Participant dies before the required beginning date, his or her entire interest will be distributed at least as rapidly as follows:

- (1) If the designated Beneficiary is someone other than the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death, over the remaining life expectancy of the designated Beneficiary, with such life expectancy determined using the age of the Beneficiary as of his or her birthday in the year following the year of the Participant's death, or, if elected, in accordance with paragraph (f)(3) below.
- (2) If the Participant's sole designated Beneficiary is the Participant's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Participant's death (or by the end of the calendar year in which the Participant would have attained age 70½, if later), over such spouse's life expectancy, or, if elected, in accordance with paragraph (f)(3) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated Beneficiary's remaining life expectancy determined using such Beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (f)(3) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy determined using the spouse's age as of his or her birthday in the year of the spouse's death.
- (3) If there is no designated Beneficiary, or if applicable by operation of paragraph (f)(1) or (f)(2) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Participant's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (f)(2) above).
- (4) The amount to be distributed each year under paragraph (f)(1) or (2) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the Beneficiary's age in the year specified in paragraph (f)(1) or (2) and reduced by 1 for each subsequent year.

- (g) The “value” of the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of Code Section 1.408-8 of the Income Tax Regulations.
- (h) If the sole designated Beneficiary is the Participant's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA (permitted under the contribution rules for SIMPLE IRAs as if the surviving spouse were the owner) or fails to take required distributions as a Beneficiary.
- (i) The required minimum distributions payable to a designated Beneficiary from this IRA may be withdrawn from another IRA the Beneficiary holds from the same decedent in accordance with Q&A-9 of Code Section 1.408-8 of the Income Tax Regulations.

## **Article V.**

1. The Participant agrees to provide the Custodian with all information necessary to prepare any reports required by Code Sections 408(i) and 408(l)(2) and Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Participant the reports prescribed by the IRS.
3. The Custodian also agrees to provide the Participant's employer the summary description described in Code Section 408(l)(2) unless this SIMPLE IRA is a transfer SIMPLE IRA.
4. The Custodian and Service Company will furnish annual calendar year reports concerning the status of the account and such information concerning required minimum distributions as is prescribed by the Commissioner of Internal Revenue. If contributions made on behalf of the Participant pursuant to a SIMPLE IRA plan maintained by the Participant's employer are received directly by the Custodian from the employer, the Custodian will provide the employer with the summary description required by Code Section 408(l)(2)(B).
5. If this SIMPLE IRA is maintained by a designated financial institution (within the meaning of Code Section 408(p)(7)) under the terms of a SIMPLE IRA plan of the Participant's employer, the Participant must be permitted to transfer the Participant's balance without cost or penalty (within the meaning of Code Section 408(p)(7)) to another IRA of the Participant that is qualified under Code Section 408(a), (b) or (p), or to another eligible retirement plan described in Code Section 402(c)(8)(3).
6. Prior to the expiration of the 2-year period beginning on the date the Participant first participated in any SIMPLE IRA plan maintained by the Participant's employer, any rollover or transfer by the Participant of funds from this SIMPLE IRA must be made to another SIMPLE IRA of the Participant. Any distribution of funds to the Participant during this 2-year period may be subject to a 25-percent additional tax if the Participant does not roll over the amount distributed into a SIMPLE IRA. After the expiration of this 2-year period, the Participant may roll over or transfer funds to any IRA of the Participant that is qualified under Code Section 408(a), (b) or (p), or to another eligible retirement plan described in Code Section 402(c)(8)(3).
7. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C) maintained for the benefit of a designated Beneficiary of a deceased individual, references in this document to the “Participant” or “individual” are to the deceased Participant or individual, as the case may be.

## **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 Code Sections 408(a) and 408(p) and the related regulations will be invalid.

## **Article VII.**

This Agreement will be amended as necessary to comply with the provisions of the Code, the related regulations, and other published guidance. Other amendments may be made in accordance with Article VIII, Section 13 of this Agreement.

## **Article VIII.**

1. **Definitions.** As used in this Agreement the following terms have the following meanings:

“Account Application” is the application signed by the Participant to accompany and adopt this Custodial Account.

“Advisor” is an investment advisor or an agent under a Power of Attorney appointed in writing.

“Agreement” means this American Century Investments SIMPLE Individual Retirement Account Custodial Agreement and the Account Application signed by the Participant.

“Beneficiary” has the meaning assigned in Section 11.

“Custodial Account” means the SIMPLE Individual Retirement Account established using the terms of this Agreement.

“Custodian” means State Street Bank and Trust Company.

“Distributor” means the entity which has a contract with the Fund(s) to serve as distributor of the shares of such Fund(s). In any case where there is no Distributor, the duties assigned hereunder to the Distributor may be performed by the Fund(s) or by an entity that has a contract to perform management or investment advisory services for the Fund(s).

“Fund” means any mutual fund or investment company registered under the Investment Company Act of 1940, as amended, which is advised, sponsored or distributed by Sponsor; provided, however, that such a mutual fund or registered investment company must be legally offered for sale in the state of the Participant's residence.

“Income Tax Regulations” means the regulations and other tax guidance issued by the Secretary of the Treasury as necessary or appropriate to carry out the provisions of the Internal Revenue Code.

“Money Market Fund” means a Fund selected by Sponsor that seeks to maintain a \$1 share price by investing in high-quality (two highest short-term categories), very short-term (60 days or less weighted average maturity) debt obligations of banks, governments, and corporations.

“Participant” means the person signing the Account Application accompanying this Agreement.

"Responsible Individual" means an adult, typically a parent or guardian, who executes the Account Application for a Participant who has not attained the age of majority in their state of residence or who is legally disabled, and any successor Responsible Individual. The Responsible Individual shall exercise all powers and duties of the Participant, on behalf of the Participant. If the Responsible Individual becomes incapacitated or dies while the Participant is a minor or is otherwise legally disabled, the successor Responsible Individual shall be (a) the person named to succeed in that capacity by the preceding Responsible Individual in a form acceptable to the Custodian, or (b) if no successor is named, a court-appointed conservator or other legal fiduciary of the Participant's estate. In all events, no person shall be a successor Responsible Individual unless such person executes the Account Application for the Participant and agrees to exercise all powers and duties of the Participant, on behalf of the Participant, as indicated herein.

"Service Company" means any entity employed by the Custodian or the Distributor, including but not limited to American Century Services, LLC, the transfer agent for the Fund(s), to perform various administrative duties of either the Custodian or the Distributor. In any case where there is no Service Company, the duties assigned hereunder to the Service Company will be performed by the Distributor (if any).

"Sponsor" means American Century Investment Management, Inc. Reference to the Sponsor includes reference to any affiliate of Sponsor to which Sponsor has delegated (or which is in fact performing) any duty assigned to Sponsor under this Agreement. Sponsor specifically assumes sponsorship of Custodial Accounts previously established with American Century Mutual Funds, Inc., as Sponsor.

2. **Revocation.** To the extent required by regulations or rulings pertaining to SIMPLE IRA accounts under Code Section 408(p), the Participant may revoke the Custodial Account established hereunder by mailing or delivering a written notice of revocation to the Custodian within such time limits as may be specified in such regulations or rulings. Mailed notice is treated as given to the Custodian on date of the postmark (or on the date of Post Office certification or registration in the case of notice sent by certified or registered mail). Upon timely revocation, the Participant's initial contribution will be returned, without adjustment for administrative expenses, commissions or sales charges, fluctuations in market value or other changes, or as otherwise provided in such regulations or rulings.

The Participant may certify in the Account Application that the Participant has received the Disclosure Statement related to the Custodial Account at least seven days before the Participant signed the Account Application to establish the Custodial Account, and the Custodian may rely upon such certification.

In any instance where it is established that the Participant has had possession of the Disclosure Statement for more than seven days, it will be conclusively presumed that the Participant has waived his or her right to revoke under this Section.

3. **Investments.** All contributions to the Custodial Account shall be invested and reinvested in full and fractional shares of one or more Funds. All such shares shall be held as book entry shares, and no physical shares or share certificates will be held in the Custodial Account. Such investments shall be made in such proportions and/or in such amounts as Participant from time to time in the Account Application or by other written or verbal notice to the Service Company (in such form as may be acceptable to the Service Company) may direct.

The Service Company shall be responsible for promptly transmitting all investment directions by the Participant for the purchase or sale of shares of one or more Funds hereunder to the Funds' transfer agent for execution. However, if investment directions with respect to the investment of any contribution hereunder are not received from the Participant as required or, if received, are unclear or incomplete

in the opinion of the Service Company, the contribution will be invested in a Money Market Fund pending clarification or completion by the Participant without liability for interest or for loss of income or appreciation. Contributions shall continue to be invested in such Money Market Fund unless subsequent contrary instructions, in a form acceptable to Service Company, to invest in another Fund are received by Service Company. If any other directions or other orders by the Participant with respect to the sale or purchase of shares of one or more Funds are unclear or incomplete in the opinion of the Service Company, the Service Company will refrain from carrying out such investment directions or from executing any such sale or purchase, without liability for loss of income or for appreciation or depreciation of any asset, pending receipt of clarification or completion from the Participant.

All investment directions by Participant will be subject to any additional investment or other rules (by way of example and not by way of limitation, rules relating to the timing of investment directions or limiting the number of purchases or sales or imposing sales charges on shares sold within a specified period after purchase) applicable to a Fund as described in its prospectus.

All dividends and capital gains or other distributions received on the shares of any Fund in the Custodial Account shall be retained in the Custodial Account and (unless received in additional shares) shall be reinvested in full and fractional shares of such Fund.

If any Fund held in the Custodial Account is liquidated or is otherwise made unavailable by the Sponsor as a permissible investment for a Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Participant. If the Participant does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Service Company, the Service Company may invest such liquidation or other proceeds in such other Fund (including a Money Market Fund) as the Sponsor designates, and provided that the Sponsor gives at least thirty (30) days advance written notice to the Participant and the Service Company. In such case, neither the Service Company, Sponsor, nor the Custodian will have any responsibility for such investment.

Alternatively, if the Participant does not give instructions and the Sponsor does not designate such other Fund as described above then the Participant (or his or her Beneficiaries) will be deemed to have directed the Custodian to distribute any amount remaining in the Fund to the Participant (or to his or her Beneficiaries as their interests shall appear on file with the Custodian), subject to the Custodian's right to reserve funds as provided in Section 17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 3, provided that the Sponsor gives at least thirty (30) days advance written notice to the Participant. In such case, neither the Service Company, Sponsor, nor the Custodian will have any responsibility for such distribution. The Participant (or his or her Beneficiaries) shall be fully responsible for any taxes due on such distribution.

4. **Exchanges.** Subject to the minimum initial or additional investment, minimum balance and other exchange rules applicable to a Fund, the Participant (or his or her Beneficiary, if Participant is deceased) may at any time direct the Service Company to exchange all or a specified portion of the shares of a Fund in the Custodial Account for shares and fractional shares of one or more other Funds. The Participant shall give such directions by written or verbal notice acceptable to the Service Company, and the Service Company will process such directions as soon as practicable after receipt thereof.

5. **Transaction Pricing.** Any purchase or redemption of shares of a Fund for or from the Custodial Account will be effected at the public offering price or net asset value of such Fund (as described in the then effective prospectus for such Fund) next established after the Service Company has transmitted the Participant's investment directions to the transfer agent for the Fund(s). Any purchase, exchange, transfer or redemption of shares of a Fund for or from the Custodial Account will be subject to any applicable sales, redemption or other charge as described in the then effective prospectus for such Fund.
6. **Recordkeeping.** The Service Company shall maintain adequate records of all purchases or sales of shares of one or more Funds for the Participant's Custodial Account. Any account maintained in connection herewith shall be in the name of the Custodian for the benefit of the Participant. All assets of the Custodial Account shall be registered in the name of the Custodian or of a suitable nominee. The books and records of the Custodian shall show that all such investments are part of the Custodial Account.

The Custodian shall maintain or cause to be maintained adequate records reflecting transactions of the Custodial Account. In the discretion of the Custodian, records maintained by the Service Company with respect to the Custodial Account hereunder will be deemed to satisfy the Custodian's recordkeeping responsibilities therefore. The Service Company agrees to furnish the Custodian with any information the Custodian requires to carry out the Custodian's recordkeeping responsibilities.

7. **Allocation of Responsibility.** Neither the Custodian nor any other party providing services to the Custodial Account will have any responsibility for rendering advice with respect to the investment and reinvestment of the Custodial Account, nor shall such parties be liable for any loss or diminution in value which results from Participant's exercise of investment control over his or her Custodial Account. Participant shall have and exercise exclusive responsibility for and control over the investment of the assets of his or her Custodial Account, and neither Custodian nor any other such party shall have any duty to question his or her directions in that regard or to advise him or her regarding the purchase, retention or sale of shares of one or more Funds for the Custodial Account.
8. **Appointment of Investment Advisor or Agent under Power of Attorney.** The Participant may in writing appoint an Advisor with respect to the Custodial Account on a form acceptable to the Custodian and the Service Company. The Advisor's appointment will be in effect until written notice to the contrary is received by the Custodian and the Service Company. While an Advisor's appointment is in effect, the Advisor may issue investment directions or may issue orders for the sale or purchase of shares of one or more Funds to the Service Company, and the Service Company will be fully protected in carrying out such investment directions or orders to the same extent as if they had been given by the Participant.
9. (a) **Distributions.** Distribution of the assets of the Custodial Account shall be made at such time and in such form as Participant (or his or her Beneficiary, if Participant is deceased) shall elect by written or verbal notice acceptable to the Custodian. It is the responsibility of the Participant (or the Beneficiary) by appropriate distribution instructions to the Custodian to ensure that any applicable distribution requirements of Code Section 401(a)(9) and Article IV above are met. If the Participant (or Beneficiary) does not direct the Custodian to make distributions from the Custodial Account by the time that such distributions are required to commence in accordance with such distribution requirements, the Custodian (and Service Company) shall assume that the Participant (or Beneficiary) is meeting any applicable minimum distribution

requirements from another individual retirement arrangement maintained by the Participant (or Beneficiary) and the Custodian and Service Company shall be fully protected in so doing.

Participant acknowledges that any distribution of a taxable amount from the Custodial Account (except for distribution on account of Participant's disability or death, return of an "excess contribution" referred to in Code Section 4973, or a "rollover" from this Custodial Account) made earlier than age 59½ may subject Participant to an "additional tax on early distributions" under Code Section 72(t) unless an exception to such additional tax is applicable. For that purpose, Participant will be considered disabled if Participant can prove, as provided in Code Section 72(m)(7), that Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration.

Minors: No distribution will be payable to a Participant known by the Custodian to be a minor under the laws of his or her state of residence or otherwise under a legal disability unless and until the Custodian receives authorization and direction from the Responsible Individual. No distribution will be payable to a Beneficiary known by the Custodian to be a minor under the laws of his or her state of residence or otherwise under a legal disability unless and until the Custodian receives authorization and direction from the legal representative of such Beneficiary's interest in the Custodial Account who has authority to act on behalf of the Beneficiary with respect to such interest as appropriate under the laws of the state in which said Beneficiary resides, or if there is no such legal representative, then from any parent of the Beneficiary or another adult individual on behalf of the Beneficiary, provided such parent or other individual agrees and consents in writing to give such authorization and direction (and to accept any distribution made to him or her pursuant to such authorization and direction) only as fiduciary for the Beneficiary. Notwithstanding any contrary provision of the preceding sentence, if the Beneficiary is a minor under the laws of his or her residence, the Custodian may pay such distribution to a custodian for such Beneficiary under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act, so long as such distribution is permitted by the laws of the state in which said Beneficiary resides. Such payment shall fully discharge the Custodian and Sponsor from further liability on account thereof.

- (b) **Taxability of Distributions.** The Participant acknowledges (i) that any withdrawal from the Custodial Account will be reported by the Custodian in accordance with applicable IRS requirements (currently, on Form 1099-R), (ii) that the information reported by the Custodian will be based on the amounts in the Custodial Account and will not reflect any other individual retirement accounts the Participant may own and that, consequently, the tax treatment of the withdrawal may be different than if the Participant had no other individual retirement accounts, and (iii) that, accordingly, it is the responsibility of the Participant to maintain appropriate records so that the Participant (or other person ordering the distribution) can correctly compute all taxes due. Neither the Custodian nor any other party providing services to the Custodial Account assumes any responsibility for the tax treatment of any distribution from the Custodial Account; such responsibility rests solely with the person ordering the distribution.



10. **Distribution Instructions.** The Custodian assumes (and shall have) no responsibility to make any distribution except upon the written order of Participant (or his or her Beneficiary, if Participant is deceased) or upon any apparently valid court order relating to the Custodial Account containing such information as the Custodian may reasonably request. Also, before making any distribution from or honoring any assignment of the Custodial Account, Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, releases, indemnification agreements and other documents (including proof of any legal representative's authority) deemed necessary or advisable by Custodian, but Custodian shall not be responsible for complying with any order or instruction which appears on its face to be genuine, or for refusing to comply if not satisfied it is genuine, and Custodian has no duty of further inquiry. Any distributions from the Custodial Account may be made in cash, remitted by check and mailed to the last known address of the person who is to receive such distribution, as shown on the Custodian's records, or by electronic bank transfers if so directed by Participant (or his or her Beneficiary, if the Participant is deceased), and such distribution shall to the extent thereof completely discharge the Custodian's liability for such payment.
11. (a) **Designated Beneficiary.** The term "Beneficiary" means the person or persons designated as such by the "designating person" (as defined below) on a form acceptable to the Custodian for use in connection with the Custodial Account, duly executed and signed by the designating person, and filed with, and acceptable to the Custodian. If, in the opinion of the Custodian or Service Company, any designation of Beneficiary is unclear or incomplete, in addition to any documents or assurances the Custodian may request under Section 10, the Custodian or Service Company shall be entitled to request and receive such clarification or additional instructions as the Custodian or Service Company in its discretion deems necessary to determine the correct Beneficiary(ies) following the Participant's death.

The form designating the Beneficiary(ies) may name individuals, trusts, estates, or other entities as either primary or contingent beneficiaries. However, if the designation does not effectively dispose of the entire Custodial Account as of the time distribution is to commence, or if all Beneficiaries renounce their rights to receive any benefit from the Custodial Account, the term "Beneficiary" shall then mean first, the designating person's spouse, but if no such spouse shall survive the designating person, then the surviving natural and adoptive children of the designating person in equal shares per capita, and if there be no such child or children, then the personal representative of the designating person's estate, with respect to the assets of the Custodial Account not disposed of by the designation form.

Neither the Custodian nor the Service Company shall have any duty, obligation or responsibility to make any inquiry or conduct any investigation concerning the identification, address, or legal status of any individual or individuals alleging the status of beneficiary (designated or otherwise), nor to make inquiry or investigation concerning the possible existence of any beneficiary not reported to the Custodian within a reasonable period after the notification of the Participant's death (or that of the Participant's designated Beneficiary) and previous to the distribution of the account. The Custodian and Service Company may conclusively rely upon the veracity and accuracy of all matters reported to it by any source ordinarily presumed to be knowledgeable respecting the matters so reported.

With respect to any distribution made by reason of the death of the Participant (or the Participant's designated Beneficiary) the Custodian and Service Company shall have no higher duty than the exercise of good faith, and shall incur no liability by reason of any action taken in reliance upon erroneous,



inaccurate or fraudulent information reported by any source assumed to be reliable, or by reason of incomplete information in its possession at the time of such distribution. Upon full and complete distribution of the Custodial Account pursuant to the provisions of this Section, the Custodian, Sponsor, and Service Company shall be fully and forever discharged from all liabilities respecting such Custodial Account.

The form last accepted by the Custodian before such distribution is to commence, provided it was received by the Custodian during the designating person's lifetime, shall be controlling and, whether or not fully dispositive of the Custodial Account, thereupon shall revoke all such forms previously filed by that person.

The term "designating person" means Participant during his/her lifetime; only after Participant's death, it means Participant's Beneficiary.

Married Participants, particularly those who reside in community property or marital property states, may need to obtain spousal consent if they have not designated their spouse as the primary Beneficiary for at least half of their Custodial Account. Consult a lawyer or other tax professional for additional information and advice.

- (b) **Rights of Inheriting Beneficiary.** Notwithstanding any provision in this Agreement to the contrary, when and after the distribution from the Custodial Account to Participant's Beneficiary commences, all rights and obligations assigned to Participant hereunder, including the right to designate a beneficiary, shall inure to, and be enjoyed and exercised by, Beneficiary instead of Participant.
- (c) **Election by Spouse.** Unless otherwise elected under Section (h) of Article IV above, if the Participant's spouse is the sole Beneficiary on the Participant's date of death, the spouse will not be treated as the Participant if the spouse elects not to be so treated. In such event, the Custodial Account will be distributed in accordance with the other provisions of such Article IV, except that distributions to the Participant's spouse are not required to commence until December 31 of the year in which the Participant would have turned age 70½.
- (d) In the event of a divorce, if the former spouse has been designated as a Beneficiary on the Custodial Account, such designation is automatically revoked. Such former spouse can be subsequently designated as a Beneficiary, but only in a new designation of Beneficiary executed subsequent to the final decree, and filed with and acceptable to the Custodian.
- (e) Except as described in (d) above, a Beneficiary designation will not be changed automatically and is not affected by any other executed documents or agreements such as, but not limited to, pre-nuptial agreements or other court orders, except as required by law. Only Beneficiary designations duly executed, filed with and acceptable to the Custodian are valid and enforceable.

## 12. Tax Reporting Responsibilities.

- (a) The Participant acknowledges that it is his or her sole responsibility to report all contributions to or withdrawals from the Custodial Account correctly on his or her income tax returns, and to keep necessary records of all of the Participant's individual retirement accounts (including any that may be held by another custodian or trustee) for tax purposes.
- (b) The Custodian or the Service Company will submit reports to the Internal Revenue Service and the Participant at such time and manner and containing such information as is prescribed by the Internal Revenue Service.

- (c) The Participant, Custodian and Service Company shall furnish to each other such information relevant to the Custodial Account as may be required under the Code and any regulations issued or forms adopted by the Treasury Department thereunder or as may otherwise be necessary for the administration of the Custodial Account.
- (d) The Participant shall file any reports to the Internal Revenue Service which are required of him or her by law (including Form 5329), and neither the Custodian nor Service Company shall have any duty to advise Participant concerning or monitor Participant's compliance with such requirement.

### 13. **Amendments.**

- (a) Participant delegates to Sponsor the right to amend this Agreement in any respect at any time, effective on a stated date which shall be at least 30 days after giving written notice of the amendment (including its exact terms) to Participant. Notwithstanding the foregoing, any such amendment may be retroactively effective if such amendment is necessary to conform the Agreement to, or satisfy conditions of, any law, governmental regulation, or ruling, or to permit the Agreement to meet the requirements of Section 408 of the Code. Written notice of amendment will be mailed or provided electronically to Participant, in accordance with Participant's election.
- (b) Participant delegates to the Custodian the Participant's right so to amend, provided (i) the Custodian does not change the investments available under this Custodial Agreement and (ii) the Custodian amends in the same manner all agreements comparable to this one, having the same Custodian, permitting comparable investments, and under which such power has been delegated to it; this includes the power to amend retroactively if necessary or appropriate in the opinion of the Custodian in order to conform this Custodial Account to pertinent provisions of the Code and other laws or successor provisions of law, or to obtain a governmental ruling that such requirements are met, to adopt a prototype or master form of agreement in substitution for this Agreement, or as otherwise may be advisable in the opinion of the Custodian. Such an amendment by the Custodian shall be communicated in writing to Participant, and Participant shall be deemed to have consented thereto unless, within 30 days after such communication to Participant is mailed, Participant gives Custodian a written order for a complete distribution or transfer of the Custodial Account.

Pending the adoption of any amendment necessary or desirable to conform this Agreement to the requirements of any amendment to any applicable provision of the Code or regulations or rulings issued thereunder (including any amendment to Form 5305-SA), the Custodian and the Service Company may operate the Custodial Account in accordance with such requirements to the extent that the Custodian and/or the Service Company deem necessary to preserve the tax benefits of the Custodial Account, and the Custodian and/or Service Company will have no liability for so doing.

- (c) Notwithstanding the provisions of subsections (a) and (b) above, no amendment shall increase the responsibilities or duties of Custodian without its prior written consent.
- (d) This Section 13 shall not be construed to restrict the Custodian's right to substitute fee schedules in the manner provided by Section 16 below, and no such substitution shall be deemed to be an amendment of this Agreement.

#### **14. Terminations.**

- (a) This Agreement shall terminate and have no further force and effect upon a complete distribution of the Custodial Account to the Participant (or his or her Beneficiaries) or to a successor custodian or trustee in accordance with the instructions provided to the Custodian by the Participant. In addition, the Sponsor shall have the right to terminate this Agreement and instruct the Custodian to distribute the Custodial Account upon thirty (30) days notice to the Custodian and the Participant (or his or her Beneficiaries if the Participant is deceased). In the event of such termination by the Sponsor, the Custodian shall transfer the entire amount in the Custodial Account to a successor custodian or trustee as the Participant (or his or her Beneficiaries) shall instruct or shall distribute the Custodial Account to the Participant (or his or her Beneficiaries) if so directed. If, at the end of such thirty (30) day period, the Participant (or his or her Beneficiaries) has not directed the Custodian to transfer or distribute the amount in the Custodial Account as described above then the Participant (or his or her Beneficiaries) will be deemed to have directed the Custodian to distribute any amount remaining in the Custodial Account to (i) the Participant or, (ii) if the Participant is deceased, to his or her Beneficiaries as defined in Section 11(a), subject to the Custodian's right to reserve funds as provided in Section 17(b). The Sponsor and the Custodian will be fully protected in making any and all such distributions pursuant to this Section 14(a). The Participant (or his or her Beneficiaries) shall be fully responsible for any taxes due on such distribution.
- (b) Sections 15(f), 17(b), and 17(c) hereof shall survive the termination of the Custodial Account and this Agreement. Upon termination of the Custodial Account and this Agreement, the Custodian shall be relieved from all further liability hereunder or with respect to the Custodial Account and all assets thereof so distributed.

#### **15. Responsibilities of Custodian, Service Company, and Participant.**

- (a) In its discretion, the Custodian may appoint one or more contractors, including the Service Company, to carry out any of its functions and may compensate them from the Custodial Account for expenses attendant to those functions. In the event of such appointment, all rights and privileges of the Custodian under this Agreement shall pass through to such contractors or service providers who shall be entitled to enforce them as if a named party.
- (b) The Service Company shall be responsible for receiving all instructions, notices, forms and remittances from Participant and for dealing with or forwarding the same to the transfer agent for the Fund(s).
- (c) The parties do not intend to confer any fiduciary duties on Custodian or Service Company (or any other party providing services to the Custodial Account), and none shall be implied. Neither shall be liable (or assumes any responsibility) for the collection of contributions, the proper amount, time or tax treatment of any contribution to the Custodial Account or the propriety of any contributions under this Agreement, or the purpose, time, amount (including any minimum distribution amounts), tax treatment or propriety of any distribution hereunder, which matters are the sole responsibility of Participant and Participant's Beneficiary.
- (d) Not later than 60 days after the close of each calendar quarter in which transactions have occurred in the Participant's Custodial Account, the Custodian or Service Company shall send to Participant a written report or reports reflecting the transactions effected by it during such period and the assets of the Custodial Account at its close. Additionally, such a report shall be sent to Participant not later than 60 days after the close of the second and fourth calendar quarters (or after the Custodian's resignation or removal). Upon the

expiration of 30 days after such a report is sent to Participant (or Beneficiary), the Custodian or Service Company shall be forever released and discharged from all liability and accountability to anyone with respect to transactions shown in or reflected by such report except with respect to any such acts or transactions as to which Participant shall have filed written objections with the Custodian or Service Company within such 30 day period.

- (e) The Service Company shall deliver, or cause to be delivered, either by mail or electronically, to Participant all notices, prospectuses, financial statements and other reports to shareholders, proxies and proxy soliciting materials relating to the shares of the Fund(s) credited to the Custodial Account. Participant (or other authorized agent) may direct the Custodian as to the manner in which such shares shall be voted. In the absence of direction from Participant (or Participant's authorized agent), Participant authorizes and instructs the Custodian to vote the shares of the Fund(s) credited to the Custodial Account as recommended by the Fund's board of directors in the relevant proxy soliciting materials. The Custodian shall have no responsibility to separately review or evaluate such Fund's board of directors' voting recommendation nor have any liability for following Participant's instructions to follow the Fund's board of directors' recommendation.
- (f) Participant shall always fully indemnify Service Company, Distributor, the Fund(s), Sponsor and Custodian and save them harmless from any and all liability whatsoever which may arise either (i) in connection with this Agreement and the matters which it contemplates, except that which arises directly out of the Service Company's, Distributor's, Fund's, Sponsor's or Custodian's bad faith, gross negligence or willful misconduct, (ii) with respect to making or failing to make any distribution, other than for failure to make distribution in accordance with an order therefore which is in full compliance with Section 10, or (iii) actions taken or omitted in good faith by such parties. Neither Service Company nor Custodian shall be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement or such matters unless agreed upon by that party and Participant, and unless fully indemnified for so doing to that party's satisfaction.
- (g) The Custodian and Service Company shall each be responsible solely for performance of those duties expressly assigned to it in this Agreement, and neither assumes any responsibility as to duties assigned to anyone else hereunder or by operation of law.
- (h) The Custodian and Service Company may each conclusively rely upon and shall be protected in acting upon any written order from Participant (or Beneficiary, if Participant is deceased), or any Advisor appointed under Section 8, or any other notice, request, consent, certificate or other instrument or paper believed by it to be genuine and to have been properly executed, and so long as it acts in good faith, in taking or omitting to take any other action in reliance thereon. In addition, Custodian will carry out the requirements of any apparently valid court order relating to the Custodial Account and will incur no liability or responsibility for so doing.

## **16. Taxes, Fees and Expenses.**

- (a) The Custodian, in consideration of its services under this Agreement, shall receive the fees specified on the applicable fee schedule. The fee schedule originally applicable shall be the one specified in the Account Application or Disclosure Statement, as applicable. The Custodian may substitute a different fee schedule at any time upon 30 days' written notice to Participant (or Beneficiary, if Participant is deceased). The Custodian shall also receive reasonable fees for any services not contemplated by any applicable fee schedule and either deemed by it to be necessary or desirable or requested by Participant (or Beneficiary, if Participant is deceased).
- (b) Any income, gift, estate and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Custodial Account, that may be levied or assessed in respect to such assets, and all other administrative expenses incurred by the Custodian in the performance of its duties (including fees for legal services rendered to it in connection with the Custodial Account) shall be charged to the Custodial Account. If the Custodian is required to pay any such amount, the Participant (or Beneficiary) shall promptly upon notice thereof reimburse the Custodian.
- (c) All such fees and taxes and other administrative expenses charged to the Custodial Account shall be collected either from the amount of any contribution or distribution to or from the Custodial Account, or (at the option of the person entitled to collect such amounts) to the extent possible under the circumstances by the conversion into cash of sufficient shares of one or more Funds held in the Custodial Account (without liability for any loss incurred thereby). Notwithstanding the foregoing, the Custodian or Service Company may make demand upon the Participant for payment of the amount of such fees, taxes and other administrative expenses. Fees which remain outstanding after 60 days may be subject to a collection charge.
- (d) The Participant may authorize the Custodian to pay other expenses incurred by the Participant out of the Custodial Account, including but not limited to fees of a registered investment Advisor for financial advisory services rendered to Participant with respect to the assets held in the Custodial Account and fees for the performance of other administrative services. The Participant must specifically authorize the Custodian in writing, in a form and manner acceptable to Custodian and Service Company, to pay such fees upon receipt of a statement from the Advisor or other service provider. The Custodian and Service Company shall not be required to inquire as to the actual performance of such services, the accuracy of the fee statement, the reasonableness of the fees for the services, or the regulation of such fees under federal or state law. The Custodian and Service Company shall be free from all liability to the Participant, any Beneficiary, or any other person for the payment of, or the failure or refusal to pay, such fees.

## **17. Resignation or Replacement of Custodian.**

- (a) Upon 60 days' prior written notice to the Custodian, Sponsor may remove it from its office hereunder. Such notice, to be effective, shall designate a successor custodian and shall be accompanied by the successor's written acceptance. The Custodian also may at any time resign upon 60 days' prior written notice to Sponsor, whereupon the Sponsor shall notify the Participant (or Beneficiary, if Participant is deceased) and shall appoint a successor to the Custodian. In connection with its removal or resignation hereunder, the Custodian may, but is not required to, designate a successor custodian by

written notice to the Sponsor if the Sponsor does not designate a successor custodian, and the Sponsor and Participant (or Beneficiary, if Participant is deceased) will be deemed to have consented to such successor unless the Sponsor designates a different successor custodian and provides written notice thereof together with such a different successor's written acceptance by such date as the Custodian specifies in its original notice to the Sponsor (provided that the Sponsor will have a minimum of 60 days to designate a different successor).

- (b) The successor custodian shall be a bank, insured credit union, or other person satisfactory to the Secretary of the Treasury under Code Section 408(a)(2). Upon receipt by Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the Custodial Account and all records (or copies thereof) of Custodian pertaining thereto, provided that the successor custodian agrees not to dispose of any such records without the Custodian's consent. Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs, and expenses, or for payment of any other liabilities constituting a charge on or against the assets of the Custodial Account or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian.
- (c) No custodian shall be liable for the acts or omissions of its predecessor or its successor.

- 18. **Applicable Code.** References herein to the "Internal Revenue Code" or "Code" and sections thereof shall mean the same as amended from time to time, including successors to such sections.
- 19. **Delivery of Notices.** Except where otherwise specifically required in this Agreement, any notice from the Custodian to any person provided for in this Agreement shall be effective if sent by first-class mail or electronically if such service has been elected by the person to such person at that person's last address on the Custodian's records.
- 20. **Exclusive Benefit.** Participant or Participant's Beneficiary shall not have the right or power to anticipate any part of the Custodial Account or to sell, assign, transfer, pledge or hypothecate any part thereof. The Custodial Account shall not be liable for the debts of Participant or Participant's Beneficiary or subject to any seizure, attachment, execution or other legal process in respect thereof, except to the extent required by law. At no time shall it be possible for any part of the assets of the Custodial Account to be used for or diverted to purposes other than for the exclusive benefit of the Participant or his/her Beneficiary, except to the extent required by law.
- 21. **Applicable Law/Interpretation.** When accepted by the Custodian, this Agreement is accepted in and shall be construed and administered in accordance with the laws of the state where the principal offices of the Custodian are located. Any action involving the Custodian brought by any other party must be brought in a state or federal court in such state.

This Agreement is intended to qualify under Code Section 408(a) as an individual retirement Custodial Account and to meet the applicable requirements of Code Section 408(p) (and other applicable legal requirements for SIMPLE IRAs). In addition, if future regulations or rulings provide guidance concerning the requirements for a valid SIMPLE IRA, this Agreement will be interpreted and the Custodial Account hereunder will be administered in a manner that complies with such regulations or rulings pending the adoption of any required amendment to this Agreement. If any provision of this Agreement is subject to more than one



interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the intent expressed in the preceding sentence.

However, the Custodian shall not be responsible for whether or not such intentions are achieved through use of this Agreement, and Participant is referred to Participant's attorney for any such assurances.

Anything to the contrary herein notwithstanding, in the event of reasonable doubt respecting the proper course of action to be taken, the Custodian may seek a judicial determination which shall be binding on all parties claiming interest in the Custodial Account. In such event all court costs, legal expenses, reasonable compensation of time expended by Custodian in the performance of its duties, and other appropriate and pertinent expenses shall be collected by the Custodian from the Custodial Account.

22. **Professional Advice.** Participant is advised to seek advice from Participant's attorney regarding the legal consequences (including but not limited to federal and state tax matters) of entering into this Agreement, contributing to the Custodial Account, and ordering Custodian to make distributions from the Custodial Account. Participant acknowledges that Custodian and Service Company (and any company associated therewith) do not provide legal or tax advice.
23. **Governing Documents.** This Agreement and the Account Application signed by the Participant (as either may be amended) are the documents governing the Participant's Custodial Account. Articles I through VII of this Agreement are in the form promulgated by the Internal Revenue Service as Form 5305-SA, as modified by subsequent guidance. It is anticipated that if and when the Internal Revenue Service promulgates changes to Form 5305-SA, the Custodian will amend this Agreement correspondingly, and the Participant specifically consents to such amendment in accordance with Section 13(b) hereof.
24. **Representations by Participant.** The Participant acknowledges that he or she has received and read the current prospectus for each Fund in which his or her Custodial Account is invested and the Disclosure Statement related to the Custodial Account. The Participant represents under penalties of perjury that his or her Social Security number (or other Taxpayer Identification Number) as stated in the Account Application is correct.
25. **Transfers.** At the direction of the Participant, the Custodian will transfer contributions from the Participant's Custodial Account to another individual retirement account designated by the Participant, provided the designated custodian or trustee agrees to accept such transfer, or to an individual retirement annuity contract, provided the designated issuer agrees to accept such transfer. If such transfer is made within two years after the date of the first contribution by the employer to the Participant's SIMPLE IRA Custodial Account under the employer's SIMPLE IRA plan, the Custodian will have the right to a representation from the successor custodian or trustee that the successor IRA is a SIMPLE IRA if required under applicable law.

Transfers from the Participant's SIMPLE IRA Custodial Account will be made to a successor individual retirement account or annuity designated by the Participant in a written transfer of IRA assets form or other written instructions acceptable to the Custodian.

The Custodian, the Service Company, the Distributor and the Fund(s) will have no responsibility for compliance with the requirements of Code Section 408(p) and any other applicable requirements (including whether such transferee individual retirement account or annuity meets the requirements to be a SIMPLE IRA, whether the transferee financial institution properly carries out the Participant's investment

directions, or whether the employer's SIMPLE IRA plan meets the requirements of Code Section 408(p) (or other applicable requirements) in connection with such transfer, or for determining whether such requirements have been satisfied, or for any penalty taxes that may be payable in connection therewith, which matters shall be the sole responsibility of the Participant.

26. **Definition of Written Notice.** If any provision of any document governing the Custodial Account provides for notice, instructions or other communications from one party to another in writing, to the extent provided for in the procedures of the Custodian, Service Company or another party, any such notice, instructions or other communications may be given by telephonic, computer, other electronic or other means, and a requirement for written notice will be deemed satisfied.
27. **Custodial Acceptance.** If all required forms and information are properly submitted, State Street Bank and Trust Company will accept appointment as Custodian of the Custodial Account. However, this Agreement (and the Account Application) is not binding upon the Custodian until the Participant has received a statement confirming the initial transaction for the Custodial Account. Receipt by the Participant of a confirmation of the purchase of the Fund shares indicated in the Participant's Account Application will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Custodial Account.
28. **Minor Participant.** If the Participant is a minor under the laws of his or her state of residence, the Responsible Individual shall exercise all powers and duties of the Participant, as indicated herein. The Custodian's acceptance of the Custodial Account on behalf of any Participant who is a minor is expressly conditioned upon the agreement of the Responsible Individual to accept the responsibility to exercise all such powers and duties on behalf of the Participant, and all parties hereto so acknowledge. Until the Participant attains the age of majority, the Participant shall have no authority with respect to the administration, management, designation of Beneficiaries, or distribution of the Custodial Account. The Custodian and Service Company may rely on any instruction or direction made by the Responsible Individual and shall deliver all required notices or documents to the Responsible Individual. Upon attainment of the age of majority under the laws of the Participant's state of residence at such time, the Participant may advise the Custodian in writing (accompanied by such documentation as the Custodian may require) that he or she is assuming sole responsibility to exercise all rights, powers, obligations, responsibilities, authorities or requirements associated with the Custodial Account. Upon such notice to the Custodian, the Participant shall have and shall be responsible for all of the foregoing, the Custodian will deal solely with the Participant as the person controlling the administration of the Custodial Account, and the Responsible Individual thereafter shall not have or exercise any of the foregoing. (Absent such written notice from the Participant, Custodian shall be under no obligation to acknowledge the Participant's right to exercise such powers and authority and may continue to rely on the Responsible Individual to exercise such powers and authority until notified to the contrary by the Participant.)



## Notes

## Notes





## Contact Us

<b>Website</b>	
Investing Directly With Us	<a href="http://americancentury.com">americancentury.com</a>
Investors Using Advisors	<a href="http://americancentury.com/ia">americancentury.com/ia</a>
<b>SIMPLE IRAs</b>	
Investing Directly With Us	1-800-345-3533
Investors Using Advisors	1-800-378-4998

Enclosed is the new custodial agreement  
for your SIMPLE IRA account.