



# SEP IRA Application

Use this form to establish an Invesco SEP or SARSEP IRA with Invesco Trust Company (ITC) as custodian. For all other IRA types, please complete and submit the appropriate Invesco account application. **Minors may not open an Invesco IRA.**

**IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT:** Federal law mandates that all financial institutions obtain, verify and record information identifying each person who opens a new account. Please verify the following information is accurate: name, Social Security number, date of birth and physical residential address. If you fail to provide the requested information and/or if any of the information cannot be confirmed, Invesco Investment Services, Inc. (IIS), reserves the right to redeem the account. All information provided is kept confidential as detailed in the Invesco Privacy Policy, located at the end of this form.

PLEASE USE BLUE OR BLACK INK

PLEASE PRINT CLEARLY IN BLOCK CAPITAL LETTERS

## 1 | SEP IRA Account Type *(Select one.)*

If an account type is not selected, I am directing IIS to establish a SEP IRA on my behalf.

- SEP IRA       SARSEP IRA *(Plan must have been established prior to 1997.)*

## 2 | Participant Information

Full Name

Social Security Number *(Required)*

Date of Birth *(Required)* (mm/dd/yyyy)

Mailing Address *(Account statements and confirmations will be mailed to this address.)*

City

State

ZIP

Residential Address *(Required if different than your mailing address or if a P.O. Box was given above.)*

City

State

ZIP

Primary Phone Number

Email Address

### eDelivery

Receive statements, confirmations, account correspondence, shareholder reports, news and updates, and tax forms online instead of by U.S. mail.

**By providing my email address above, I consent to eDelivery unless indicated below.**

- I do not want eDelivery.

If consenting to eDelivery, please indicate items you would like to receive online *(IIS will default to ALL if no selections are made):*

- Quarterly and annual statements  
 Transaction confirmations and account correspondence  
 Prospectuses, annual and semi-annual reports  
 News and updates  
 Tax forms

**Important Note:** You will receive an email from IIS asking you to confirm and complete your enrollment for eDelivery of tax forms. eDelivery of tax forms will not commence until you respond to the email. For more information on eDelivery consent, please see the Additional Information section at the end of the form.

**3 | Employer Information**

Employer's Name	Invesco Plan ID (if applicable)
<input type="text"/>	<input type="text"/>

Contact's Full Name

Employer's Mailing Address

City	State	ZIP
<input type="text"/>	<input type="text"/>	<input type="text"/>

Employer's Phone Number	Employer's Tax Identification Number
<input type="text"/>	<input type="text"/>

**4 | Investment Instructions (Complete A and B.)**

- A. Investment Method:** (Select all that apply.)  
 If I do not indicate an investment method, I am directing IIS to deposit the contribution as a SEP Employer Contribution. Please make check payable to ITC. **Note:** IIS does not accept the following types of payment: Cash, Credit Card, Checks, Temporary/Starter Checks, and Third Party Checks.
- SEP Employer Contribution** - Contributions submitted for investment by employer.
  - SarSEP Salary Deferral** - Deferrals withheld from salary and submitted for investment by employer.
  - Rollover** - 60-day rollover after taking an eligible distribution in cash from a retirement plan.
  - Direct Rollover** - Eligible rollover distribution from a retirement plan. (Please attach a completed Invesco Retirement Account Transfer/Rollover Form or the required distribution form.)
  - Transfer of Assets** - Transfer from an IRA held at another custodian or an IRA held at IIS. (Please attach a completed Invesco Retirement Account Transfer/Rollover Form or the required distribution form.)

- B. Fund(s) Selection:** (Select one.)
- Transfer "in kind"** - Assets are being moved from existing Invesco account number   
**Note:** Your fund selections will remain the same. You may request an exchange separately.
- New Fund(s) Selection** (Please refer to the List of Available Investments in section 12.)  
 Please select one share class per fund.  
**Note:** If no fund(s) is selected below, I am directing IIS to purchase Cash Reserve Shares of Invesco Government Money Market Fund. If an Invesco Fund name(s) is indicated but no class of shares is specified, I am directing IIS to purchase Class A shares of the specified fund(s).
- Please use these allocations for all future investments until further notice.
  - DO NOT use these allocations for future investments.

Fund Number	Fund Name	Class of Shares	Amount	Percentage
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
			Initial Purchase Total* \$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/> or <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %

\*Your initial purchase total should equal the amount enclosed.

**5 | Financial Advisor/Dealer Information** (To be completed by your financial advisor.)

**Important:** Incomplete information in this section may result in no broker/dealer being assigned to the account.

Name of Firm	Branch Number	
<input type="text"/>	<input type="text"/>	
Financial Advisor's Name	Financial Advisor's Rep ID	
<input type="text"/>	<input type="text"/>	
Financial Advisor's Branch Address	Financial Advisor's Phone Number	
<input type="text"/>	<input type="text"/>	
City	State	ZIP
<input type="text"/>	<input type="text"/>	<input type="text"/>

We authorize IIS as designated by ITC, to act as our agent in connection with transactions authorized by the account application and agree to notify IIS of any purchase made under a letter of intent or rights of accumulation.

Authorized Signature of Dealer/Home Office	Invesco Dealer Number
<input checked="" type="text"/>	<input type="text"/>

**6 | Reduced Sales Charge** (Not applicable for all funds. See your prospectus for more information.)

I direct IIS to aggregate my SEP IRA with my employer's SEP IRA plan for Rights of Accumulation, unless I have listed other eligible Invesco account(s) below. I understand that if I choose to aggregate my SEP IRA with the account(s) listed below for Rights of Accumulation, my SEP IRA will not be aggregated with my employer's SEP IRA plan.

**Rights of Accumulation** (Cumulative Discount)

Please aggregate the following eligible Invesco accounts to reduce sales charge for Class A shares for myself and my immediate family\*:

Account Numbers	<input type="text"/>	<input type="text"/>
Relationship	<input type="text"/>	<input type="text"/>

**Letter of Intent** (Not available to SARSEP IRA participants.)

Pursuant to the fund's current prospectus, it is my intention to invest the following amounts, including Purchase Credit\*\*, over a 13-month period for myself and my immediate family\* in the following eligible Invesco accounts:

- \$50,000     \$100,000     \$250,000     \$500,000     \$1,000,000

Account Numbers	<input type="text"/>	<input type="text"/>
Relationship	<input type="text"/>	<input type="text"/>

\*Eligible Purchasers include the individual account owner and the immediate family of the individual account owner (including the individual's spouse or domestic partner and the individual's children, step-children or grandchildren) as well as the individual's parents, step-parents, the parents of the individual's spouse or domestic partner, grandparents and siblings. For additional information, please see your fund's prospectus.

\*\*Purchase Credit is the value of the accounts under ROA the day before the Start Date of the Letter of Intent.

**7 | Telephone Transaction Options** *(Automatically applies unless declined below.)*

**Note:**

- Telephone purchase option is not allowed on SARSEP IRAs.
- Redemption proceeds will be mailed to the address of record unless bank information is provided in section 8.

**Telephone Exchange**     I DO NOT authorize telephone exchange.

**Telephone Purchase**     I DO NOT authorize telephone purchase.

**Telephone Redemption**     I DO NOT authorize telephone redemption.

**8 | Bank Account Information**

**Note:**

- Signature of bank account owner(s) is required in section 10 if different from account registration.
- Temporary or starter checks are not acceptable.
- If a voided company or corporate check is provided, then a letter from that financial institution verifying the authorized signers must be included.

Please provide bank instructions below. In doing so, shareholders with eligible accounts are allowed to make investments into their fund by calling an Invesco Client Services representative. Upon request, IIS can arrange for a specified dollar amount you select to be deducted from your bank account via Automated Clearing House (ACH) and used to purchase shares of a specified fund. These bank instructions will also be used for systematic purchase and may receive redemption proceeds, as applicable.

Account Type:     Checking     Savings

Name	
_____	
_____	
Pay to the order of _____ \$ <input style="width: 80px; height: 20px;" type="text"/>	
_____	
<b>Please tape your voided check here.</b>	
Routing Number	Account Number
<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>

**9 | Beneficiary Information**

Provide a complete list of your primary beneficiary(ies) and your contingent beneficiary(ies) below. IIS will not maintain a beneficiary designation that is conditional upon the occurrence of a specific event other than what is detailed below and in the applicable custodial agreement and disclosure statement. If you have additional beneficiaries, please attach a separate page including all of the information requested in this section.

Please see the Additional Information section at the end of this form for acceptable beneficiary designation options.

**A. Primary Beneficiary(ies)**

If there are multiple primary beneficiaries listed below and no percentage allocation is provided, IIS will distribute any remaining assets to the primary beneficiaries in equal amounts.

1. Full Name  Check here if this is your spouse. Percentage  
   %

SSN or  TIN (Required) Date of Birth (mm/dd/yyyy)

2. Full Name  Check here if this is your spouse. Percentage  
   %

SSN or  TIN (Required) Date of Birth (mm/dd/yyyy)

Total    %

**B. Contingent Beneficiary(ies)**

If no primary beneficiary(ies) survives me, any remaining assets in my account shall be distributed to the contingent beneficiary(ies). If there are multiple contingent beneficiaries listed below and no percentage allocation is provided, IIS will distribute any remaining assets to the contingent beneficiary(ies) in equal amounts to the extent that no primary beneficiary(ies) survives the participant.

1. Full Name  Check here if this is your spouse. Percentage  
   %

SSN or  TIN (Required) Date of Birth (mm/dd/yyyy)

2. Full Name  Check here if this is your spouse. Percentage  
   %

SSN or  TIN (Required) Date of Birth (mm/dd/yyyy)

Total    %

**10 | Authorization and Signature** *(Please sign and date.)*

I hereby establish an Invesco Distributors, Inc. Individual Retirement Account ("Invesco IRA") appointing ITC as custodian, pursuant to the terms of the applicable Custodial Agreement and Disclosure Statement and the prospectuses for each of the mutual funds that I have selected as investment choices. I understand and agree that the Custodian may amend the Custodial Agreement by providing me written notice of any such amendment and that the mutual funds in which I invest may and will amend their prospectuses from time to time by giving me written notice of such amendments. I consent to the custodial fees specified, and I understand that a \$15 maintenance fee will be deducted annually from my account if the balance of my account is less than \$50,000 on the day the fee is assessed. I have read and agree to the information listed in section 9, Beneficiary Information, and I designate the beneficiary(ies) to receive any assets remaining in my account. I understand that this Invesco IRA shall be deemed to have been accepted by ITC upon mailing of an Invesco confirmation statement, and receipt by the participant of such confirmation statement of the purchase of fund shares indicated herein will serve as notification of ITC's acceptance of appointment as custodian of the IRA account.

By selecting the box below I am certifying that I am **NOT** a U.S. citizen.

I am a Resident Alien

**Request for Taxpayer Identification Number** (Substitute Form W-9)

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien), **and**
4. I am exempt from FATCA reporting.

**Certification Instructions:** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN.

**SIGNATURE PROVISIONS**

I have read, understand and agree to the foregoing application and material included herein by reference. I affirm that I have received and read the fund prospectus(es) and agree to the terms set forth therein. I certify that the information which I have provided and the information which is included within the application and the material included herein by reference is accurate, including, but not limited to, the representations contained in the Request for Taxpayer Identification Number section.

**The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.**

I understand that if section 5 is blank or incomplete, this Account may be established without a financial advisor/dealer assigned to the Account, and the Custodian and its affiliates shall not give tax advice or investment advice, nor determine whether the IRA is appropriate for me. By signing this form, (i) I authorize and direct IIS to maintain the account referenced herein, **and (ii) I agree to indemnify and hold harmless IIS, its affiliates, each of their respective employees, officers, trustees, or directors, and each of the Invesco Funds from and against any and all claims, losses, liabilities, damages and expenses that may be incurred by reason of your actions taken in accordance with the instructions set forth herein.**

Signature *(Required)*

Title

Date (mm/dd/yyyy)

**X**

**Signature of Bank Account Owner(s) if different from Invesco Account Registration**

By signing this form and providing banking instructions, I understand and acknowledge that:

- IIS may accept telephone or written banking instructions to remit redemption proceeds and IIS may pay and charge my account for ACH drafts paid to the Invesco account.
- This authorization will remain in full force and effect, and IIS may continue to honor instructions to draft this bank account until written notice is provided revoking this authority.

Signature of Bank Account Owner

Date (mm/dd/yyyy)

**X**

Signature of Bank Account Owner

Date (mm/dd/yyyy)

**X**

**11 | Checklist and Mailing Instructions**

Please review checklist before submitting your application:

- An account type was selected in section 1.
- A residential address was included if P.O. Box was provided as the mailing address in section 2.
- An investment selection was included in section 4b.
- The beneficiaries provided are allowable designations, as per the Additional Information section.
- All required signatures are included in section 10.

Please send completed and signed form to:

**(Direct Mail)**

Invesco Investment Services, Inc.  
P.O. Box 219078  
Kansas City, MO 64121-9078

**(Overnight Mail)**

Invesco Investment Services, Inc.  
c/o DST Systems, Inc.  
430 W. 7th Street  
Kansas City, MO 64105-1407

**For additional assistance please contact an Invesco Client Services representative at 800 959 4246, weekdays, 7 a.m. to 6 p.m. Central Time.**

**Visit our website at [invesco.com/us](http://invesco.com/us) to:**

- Check your account balance
- Confirm transaction history
- View account statements and tax forms
- Sign up for eDelivery of statements, daily transaction statements, tax forms, prospectuses, and reports
- Check the current fund price, yield and total return on any fund
- Process transactions
- Retrieve account forms and investor education materials

**Call the 24-Hour Automated Investor Line 800 246 5463 to:**

- Obtain fund prices
- Confirm your last three transactions
- Order a recent account statement(s)
- Check your account balance
- Process transactions

To use the system, please have your account numbers and Social Security number available.

## Important fund information

Please note the following product changes and see their respective prospectuses for more information:

On Feb. 7, 2017, Invesco Macro International Equity Fund closed to all investments, including additional investments by existing shareholders and new accounts. The fund will liquidate and proceeds distributed to shareholders on or around Feb. 27, 2017. See prospectus for more information.

Fund/class	CUSIP	Ticker
<b>Invesco Macro International Equity Fund</b>		
Class A Shares	00888Y730	VZMAX
Class C Shares	00888Y722	VZMCX
Class R Shares	00888Y714	VZMRX
Class R5 Shares	00888Y680	VZMFX
Class R6 Shares	00888Y672	VZMSX
Class Y Shares	00888Y698	VZMYX

On Feb. 7, 2017, Invesco Macro Long/Short Fund closed to all investments, including additional investments by existing shareholders and new accounts. The fund will liquidate and proceeds distributed to shareholders on or around Feb. 27, 2017. See prospectus for more information.

Fund/class	CUSIP	Ticker
<b>Invesco Macro Long/Short Fund</b>		
Class A Shares	00888Y664	LSTAX
Class C Shares	00888Y656	LSTCX
Class R Shares	00888Y649	LSTRX
Class R5 Shares	00888Y623	LSTFX
Class R6 Shares	00888Y615	LSTSX
Class Y Shares	00888Y631	LSTYX

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

*Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their advisors for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](http://invesco.com/fundprospectus).*

Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.





## 12 | List of Available Investments

	Share Class				Share Class		
	A	C	Investor <sup>1</sup>		A	C	Investor <sup>1</sup>
<b>Alternatives</b>	<b>Fund No.</b>			<b>Sector Equity</b>	<b>Fund No.</b>		
Invesco All Cap Market Neutral Fund	1651	3651	-	Invesco Energy Fund	1050	3050	50
Invesco Alternative Strategies Fund	1662	3662	-	Invesco Global Health Care Fund	1551	3551	251
Invesco Balanced-Risk Allocation Fund	1607	3607	-	Invesco Gold & Precious Metals Fund	1051	3051	51
Invesco Balanced-Risk Commodity Strategy Fund	1611	3611	-	Invesco Technology Fund	1055	3055	55
Invesco Floating Rate Fund	1595	3595	-				
Invesco Global Infrastructure Fund	1658	3658	-	<b>International &amp; Global Equity</b>			
Invesco Global Market Neutral Fund	1650	3650	-	Invesco Asia Pacific Growth Fund	1531	3531	-
Invesco Global Real Estate Fund	1621	3621	-	Invesco Developing Markets Fund	1576	3576	-
Invesco Global Real Estate Income Fund	1540	3540	-	Invesco Emerging Markets Equity Fund	1627	3627	-
Invesco Global Targeted Returns Fund	1649	3649	-	Invesco European Growth Fund	1530	3530	230
Invesco Long/Short Equity Fund	1652	3652	-	Invesco Global Core Equity Fund	1513	3513	-
Invesco Macro Allocation Strategy Fund <sup>2</sup>	1648	3648	-	Invesco Global Growth Fund	1582	3582	-
Invesco Macro Long/Short Fund	1655	3655	-	Invesco Global Low Volatility Equity Yield Fund	1584	3584	-
Invesco MLP Fund	1657	3657	-	Invesco Global Opportunities Fund	1645	3645	-
Invesco Real Estate Fund	1525	3525	225	Invesco Global Responsibility Equity Fund	1697	3697	-
				Invesco Global Small & Mid Cap Growth Fund	1581	3581	-
<b>Balanced</b>				Invesco Greater China Fund	1554	3554	-
Invesco Equity and Income Fund	1743	3743	-	Invesco International Allocation Fund	1605	3605	-
Invesco Income Allocation Fund	1606	3606	-	Invesco International Companies Fund	1665	3665	-
Invesco Multi-Asset Income Fund <sup>3</sup>	1644	3644	-	Invesco International Core Equity Fund	1009	3009	9
Invesco Multi-Asset Inflation Fund	1660	3660	-	Invesco International Growth Fund	1516	3516	-
				Invesco International Small Company Fund	1528	3528	-
<b>Target Maturity</b>				Invesco Low Volatility Emerging Markets Fund	1653	3653	-
Invesco Balanced-Risk Retirement Now Fund	1625	3625	-	Invesco Macro International Equity Fund	1654	3654	-
Invesco Balanced-Risk Retirement 2020 Fund	1628	3628	-	Invesco Pacific Growth Fund	1720	3720	-
Invesco Balanced-Risk Retirement 2030 Fund	1630	3630	-	Invesco Select Opportunities Fund	1646	3646	-
Invesco Balanced-Risk Retirement 2040 Fund	1632	3632	-				
Invesco Balanced-Risk Retirement 2050 Fund	1634	3634	-	<b>Fixed Income</b>			
				Invesco Convertible Securities Fund	1704	3704	-
<b>Target Risk</b>				Invesco Core Plus Bond Fund	1541	3541	-
Invesco Conservative Allocation Fund	1603	3603	-	Invesco Corporate Bond Fund	1740	3740	-
Invesco Growth Allocation Fund	1602	3602	-	Invesco Emerging Markets Flexible Bond Fund <sup>4</sup>	1544	3544	-
Invesco Moderate Allocation Fund	1601	3601	-	Invesco High Yield Fund	1575	3575	275
				Invesco Quality Income Fund <sup>5</sup>	1774	3774	-
<b>Domestic Equity</b>				Invesco Short Duration Inflation Protected Fund <sup>6</sup>	4923	-	-
Invesco American Franchise Fund	1733	3733	-	Invesco Short Term Bond Fund	1524	3524	-
Invesco American Value Fund	1734	3734	-	Invesco Strategic Real Return Fund	1659	3659	-
Invesco Charter Fund	1510	3510	-	Invesco U.S. Government Fund	1560	3560	260
Invesco Comstock Fund	1737	3737	-	Invesco World Bond Fund <sup>7</sup>	1552	3552	-
Invesco Diversified Dividend Fund	1586	3586	286				
Invesco Dividend Income Fund	1058	3058	58				
Invesco Endeavor Fund	1598	3598	-				
Invesco Equally-Weighted S&P 500 Fund	1706	3706	-				
Invesco Growth and Income Fund	1752	3752	-				
Invesco Low Volatility Equity Yield Fund	1556	3556	256				
Invesco Mid Cap Core Equity Fund	1546	3546	-				
Invesco Mid Cap Growth Fund	1763	3763	-				
Invesco S&P 500 Index Fund	1722	3722	-				
Invesco Select Companies Fund	1599	3599	-				
Invesco Small Cap Equity Fund	1532	3532	-				
Invesco Small Cap Discovery Fund	1769	3769	-				
Invesco Summit Fund	1591	3591	-				
Invesco Value Opportunities Fund	1776	3776	-				

1 Investor Class shares are closed to most investors. Investors should contact their financial advisor about other share classes.

2 On July 27, 2016, the Invesco Global Markets Strategy Fund was renamed Invesco Macro Allocation Strategy Fund.

3 On July 27, 2016, the Invesco Premium Income Fund was renamed Invesco Multi-Asset Income Fund.

4 On Feb. 26, 2016, the Invesco Emerging Market Local Currency Debt Fund was renamed Invesco Emerging Markets Flexible Bond Fund. The investment strategy, non-fundamental restriction and benchmarks changed accordingly. See the prospectus for more information.

5 On June 20, 2016, Invesco U.S. Mortgage Fund was renamed Invesco Quality Income Fund.

6 On Dec. 31, 2015, Invesco Limited Maturity Treasury Fund was renamed Invesco Short Duration Inflation Protected Fund. The investment strategy, investment process and benchmarks changed accordingly. See the prospectus for more information.

7 On Dec. 1, 2016, Invesco International Total Return Fund was renamed Invesco World Bond Fund. Several changes were made including investment strategy, benchmarks and distribution frequency. See the prospectus for more information.

8 Special share class of Invesco Government Money Market Fund: Cash Reserve

9 On June 28, 2016, Invesco Money Market Fund changed to Invesco Government Money Market Fund. The investment strategy and positioning changed, see prospectus for more information.

**Additional Information****Beneficiary Designation Options**

IIS is unable to keep beneficiary instructions on file that would require certain conditional determinations to be made at the time of your death or that would require legal interpretation or research. We are only able to keep the name and relationship of the beneficiaries on file and are unable to maintain any additional instructions.

You may designate specific individuals, classes of people, trusts, schools, charitable organizations, churches, corporations or your estate as the beneficiary(ies) of your account. See below for specific examples of acceptable designations.

- Individual(s): "John Smith"
- Class of people: "All my children equally" or "All my grandchildren equally"
- Trust: "John Smith Trust, dated 01/01/2000"
- School: "Stanford University"
- Charitable organization: "American Red Cross Association"
- Church or Religious Institution: "Memorial Methodist Church"
- Corporation: "ABC Corp."
- Estate: "Estate of John Smith"

**eDelivery Consent**

Sign up to receive notice by email that shareholder and fund information is available online. By providing an email address you consent to receiving electronic documents and notices rather than receiving paper documents by US mail. Electronic documents and other communications may be delivered by email or an email message containing a link to an internet address or website where the document is posted and from which it can be read or printed. Documents delivered electronically include, but are not limited to, summary prospectuses, prospectus supplements, annual and semi-annual shareholder reports, proxy materials, account statements, transaction confirmations, privacy notices, and other notices and documentation in electronic format when available. By providing your email address, you also consent to receive any additional documents capable of electronic delivery in the future.

To receive email alerts, your computer must be capable of reading PDF files. If you have an application installed that enables you to view PDF documents, you may proceed with eDelivery. If you do not, download Adobe® Reader®. You should also refer to Adobe® Reader® for system requirements necessary to access these documents. If you are unable to download Adobe® Reader® or view PDF documents, do not sign up for eDelivery.

**Important Information Regarding Electronic Delivery**

You, or if you act on behalf of an entity, the Trustees/Authorized Signers confirm that the authorized persons have internet access, access to Adobe® Reader® and an active email account to receive information electronically.

While IIS does not charge you for electronic delivery, your internet provider may charge you for internet access. Also, please be aware that your internet service provider may occasionally experience system failures in which case hyperlinks to documents may not function properly.

If any electronic message is returned to us, we will resume sending you documents by US mail and request that you send us an updated email address.

If you use spam-blocking software, please update your settings to receive email from us.

Once you consent to receipt of documents by electronic delivery, you will need to notify us in writing or modify your preferences in your online profile of any intent to revoke your consent to receive documents by electronic delivery.

This consent will remain in effect until revoked. The authorized persons may revoke this consent and/or request paper copies of documents delivered electronically at no additional charge. Please contact an Invesco Client Services representative at 800 959 4246, weekdays, 7 a.m. to 6 p.m. Central Time if you wish to revoke your consent or otherwise wish to receive a paper copy of any documents referenced in this consent.

Depending on when you request eDelivery of statements, you may receive your next statement via US mail. You will receive email notification for all subsequent statements. If other shareholders in your household do not sign up for eDelivery, you may continue to receive these materials via US mail. You may update your email address, change your eDelivery selections, or cancel this service at any time by visiting our website or calling IIS.

**Important Notice Regarding Delivery of Security Holder Documents**

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). Mailing of your shareholder documents may be househanded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact IIS or your financial advisor. We will begin sending you individual copies for each account within 30 days after receiving your request.

**Unclaimed Property Notice**

Please note that your property may be transferred to the appropriate state's unclaimed property administrator if no activity occurs in the account within the time period specified by state law.



## FACTS

### WHAT DOES INVESCO DO WITH YOUR PERSONAL INFORMATION? \*

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Transaction history and investment experience
- Investment experience and assets

When you are *no longer* our customer, we continue to share information about you according to our policies.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Invesco chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Invesco share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	No	We do not share
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your credit worthiness	No	We do not share
<b>For our affiliates to market to you</b>	No	We do not share
<b>For non-affiliates to market to you</b>	No	We do not share

#### Questions?

Call 1-800-959-4246 (toll free).

\* This privacy notice applies to individuals who obtain or have obtained a financial product or service from the Invesco family of companies. For a complete list of Invesco entities, please see the section titled "Who is providing this notice" on page 2.

Who we are	
<b>Who is providing this notice?</b>	Invesco Advisers, Inc., Invesco Private Capital, Inc., Invesco Senior Secured Management, Inc., WL Ross & Co. LLC, Invesco Distributors, Inc. and the Invesco family of mutual funds.
What we do	
<b>How does Invesco protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Invesco collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ Open an account or give us your contact information</li> <li>▪ Make deposits or withdrawals from your account or give us your income information</li> <li>▪ Make a wire transfer</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ Sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>▪ Affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul>
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <p><i>Invesco does not share with our affiliates so that they can market to you.</i></p>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p><i>Invesco does not share with non-affiliates so that they can market to you.</i></p>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p><i>Invesco doesn't jointly market.</i></p>



# Prototype Simplified Employee Pension Plan Adoption Agreement

Complete this form and retain with your company records.

The undersigned Employer hereby establishes on the date indicated, the Sponsoring Organization's Prototype Simplified Employee Pension Plan and agrees that the following elections and terms shall be part of such Plan.

PLEASE USE BLUE OR BLACK INK

PLEASE PRINT CLEARLY IN BLOCK CAPITAL LETTERS

## 1 | Employer Information

Employer's Name

Address

City

State

ZIP

Tax ID Number

## 2 | Plan Information

IRA Trustee/Custodian: Invesco Trust Company

Sponsoring Organization: PenServ Inc.

**Plan Year:** (Select one.)

- The calendar year.
- The 12-consecutive month period commencing on \_\_\_\_\_, and each anniversary thereof.

If the Employer maintains a SEP and desires to change to a year other than calendar year, the provisions of Section 2.03(d) of the Plan must be met.

## 3 | Eligibility (Complete A and B.)

**A.** All Employees of the Employer shall be eligible to participate under the Plan except:

- Employees included in a unit of employees covered under a collective bargaining agreement described in Section 2.02(a) of the Plan.
- Nonresident aliens described in Section 2.02(b) of the Plan.
- Employees who are otherwise eligible but earn less than \$600 (as adjusted for cost of living increases) during the Plan Year for which the contribution is being made.

**B.** Each eligible Employee will be eligible to become a Participant after having attained age  (not to exceed age 21) and having worked for the Employer  (not to exceed 3) years out of the immediately preceding 5 Plan Years.

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**4 | Written Allocation Formula**

The Employer shall contribute on behalf of each Participant for each Plan Year as follows. Select one (A,B,C, or D).

- A. Fixed Percentage   % (not to exceed 25%) of each Participant's Compensation.
- B. Flat dollar \$   ,    . per Participant (not to exceed \$54,000, as indexed.)
- C. Discretionary Employer Contribution: In each Plan Year, the Employer agrees to provide contributions on behalf of each Participant in the same proportion as such Participant's Compensation bears to all Participants' Compensation for such year.
- D. Integrated Formula

Select 1 or 2 and 3, if applicable.

- 1. Definite Integrated Formula: The Employer shall contribute to the Plan based on the following and in accordance with Section 3.04(a) of the Plan.

Based Contribution Percentage (BCP): First an amount equal    % (at least 3%) of each Participant's Compensation not in excess of the Integration Level; plus

Excess Contribution Percentage: An amount equal to    % (at least 3% but not to exceed the BCP by more than the lesser of (a) the BCP, or (b) the Maximum Disparity Rate) of the Participant's Excess Compensation.

- 2. Discretionary Integrated Formula: The amount of Employer Contributions shall be determined by the Employer and allocated in accordance with Section 3.04(b) of the Plan.
- 3. The Integration Level is equal to: Taxable Wage Base (TWB); or    % of the TWB (not to exceed 100%).

In no event shall the Employer contributions indicated above exceed the lesser of 25% of each Participant's Compensation or \$54,000, as indexed.

**5 | Investment Provisions**

The IRA accounts of each Participant shall be maintained and established with the:

- IRA Trustee/Custodian, named above OR  A Trustee/Custodian of each Participant's choice.

**6 | Signature (Please sign and date below and retain with your records.)**

Employer Signature	Title	Date (mm/dd/yyyy)
<input checked="" type="text"/>	<input type="text"/>	<input type="text"/>
Name (Please print)		
<input type="text"/>		

**DO NOT SEND TO INVESCO - FOR COMPANY USE ONLY**



# Prototype Simplified Employee Pension Plan Agreement

## Article I

### Adoption and Purpose of Plan

**1.01 Adoption of Plan:** By completing and signing the Adoption Agreement, the Employer adopts the Sponsoring Organization's Prototype Simplified Employee Pension Plan. This Agreement must be used with an Internal Revenue Service Model traditional IRA (Form 5305 or Form 5305-A) or an IRS approved Master or Prototype traditional IRA.

**1.02 Purpose:** The purpose of this Plan is to provide benefits for the individuals who are eligible to participate hereunder. It is intended that this Plan be for the exclusive benefit of the Employer's Employees, and that the Plan qualify under section 408(k) of the Code.

**1.03 Limitation:** If the Employer amends this plan other than by making an election permitted in the Adoption Agreement, the Employer will no longer participate in the Sponsoring Organization's Prototype Simplified Employee Pension Plan, the Employer will be considered to have an individually designed SEP Plan, and the Employer may no longer rely on the IRS opinion letter received in connection with this Prototype Simplified Employee Pension Plan.

## Article II

### Eligibility and Participation

**2.01 Eligible Employees:** All Employees of the Employer shall be eligible to participate in this Plan except for Excludible Employees as defined under Section 2.02 of this Plan.

**2.02 Excludible Employees:** If the Employer elects in the Adoption Agreement, the following Employees shall be excluded from eligibility:

- (a) Employees included in a unit of employees covered by a collective bargaining agreement between employee representatives and the Employer, provided that there is evidence that retirement benefits were the subject of good faith bargaining between such parties, unless such agreement provides that some or all of such covered employees are to be covered by this Plan. For purposes of this paragraph, the term "employee representatives" does not include any organization more than half of whose members are employees who are owners, officers, or executives of the Employer.
- (b) Non-resident alien employees who receive no earned income from the Employer which constitutes income from sources within the United States.
- (c) Employees who have not met the age and service requirements specified in the Adoption Agreement.
- (d) Employees who did not earn at least \$600 (as adjusted for cost of living increases in accordance with section 408(k)(8) of the Code) of Compensation from the Employer during the Plan Year.

### 2.03 Participation:

- (a) Each Employee who meets the eligibility requirements as specified in the Adoption Agreement shall, as a condition for further employment, become a Participant under this SEP Plan.
- (b) Each eligible Employee shall establish an IRA in order to receive Employer contributions under this Agreement, and any Employer contributions shall be made directly to such IRA plan. Unless otherwise elected in the Adoption Agreement, such IRA shall be established with the Trustee.
- (c) If a Participant fails to timely establish or to maintain an IRA in which SEP contributions may be made on such Participant's behalf, the Employer may execute any necessary documents to establish an IRA with the Trustee into which such contributions shall be made on behalf of the Participant.
- (d) If an Employer maintained a SEP Plan and desires to change to a Plan Year other than a calendar year, an Employee who has any service during the short Plan Year must be given credit for that service in three of the last five years. Such an Employee must also receive a contribution for the short Plan Year if such Employee would have been entitled to a contribution for the calendar year in which the short Plan year begins if there had been no change.

## Article III

### Written Allocation Formula

**3.01 Amount of Contribution:** The Employer agrees to contribute on behalf of each eligible Employee for the Plan Year an amount determined under the written allocation formula specified in the Adoption Agreement.

### 3.02 Uniform Relationship to Compensation:

- (a) All Employer contributions to this Plan shall bear a uniform relationship to the total Compensation (not to exceed \$270,000, or such higher amount as may be permitted under law) of each Participant.
- (b) If the Employer elects the Flat Dollar Contribution allocation in the Adoption Agreement, such contributions shall be deemed to bear a uniform relationship to the total compensation of each Participant.

**3.03 Limitation on Employer Contributions:** The maximum employer contribution which may be made for any one Plan Year with respect to any Participant and allocated to each Participant's IRA is the lesser of 25% of such Participant's Compensation for the Plan Year or \$54,000 as adjusted under section 415(d) of the Code. For purposes of the 25% limitation described in the preceding sentence, a Participant's Compensation does not include any elective deferral described in section 402(g)(3) of the Code or any amount that is contributed by the Employer at the election of the Employee and that is not includible in the gross income of the Employee under sections 125, 132(f)(4) or 457 of the Code.

### 3.04 Permitted Disparity for Certain Contributions:

- (a) **Definite Integrated Contribution Formula:** If elected in the Adoption Agreement, the Employer will contribute an amount equal to the Base Contribution Percentage selected in the Adoption Agreement (but not less than 3%) of each Participant's Compensation (as defined in Section 4.04 of the Plan) for the Plan Year, up to the Integration Level plus an amount equal to the Excess Contribution Percentage selected in the Adoption Agreement (but not less than 3% and not to exceed the Base Contribution Percentage by more than the lesser of: (i) the Base Contribution Percentage, or (ii) the Maximum Disparity Rate) of such Participant's Excess Compensation.
- (b) **Discretionary Integrated Contribution Formula:** If elected in the Adoption Agreement, Employer contributions for the Plan Year will be allocated to Participants' accounts as follows:  
**STEP 1:** Contributions will be allocated to each Participant's account in the ratio that each Participant's total Compensation bears to the total Compensation of all Participants, at a rate not in excess of 3% of each Participant's Compensation.  
**STEP 2:** Any contributions remaining after the allocation in Step One will be allocated to each Participant's account in the ratio that each Participant's Excess Compensation bears to the Excess Compensation of all Participants, at a rate not in excess of 3% of such Excess Compensation. For purposes of this Step Two, in the case of any Participant who has exceeded the Cumulative Permitted Disparity Limit described below, such Participant's total Compensation for the calendar year will be taken into account.  
**STEP 3:** Any contributions remaining after the allocation in Step Two will be allocated to each Participant's account in the ratio that the sum of each Participant's total Compensation and Excess Compensation bears to the sum of all Participants' total Compensation and Excess Compensation, at a rate not in excess of the Maximum Disparity Rate. For purposes of this Step Three, in the case of any Participant who has exceeded the Cumulative Permitted Disparity Limit described below, 2 times such Participant's total Compensation for the calendar year will be taken into account.  
**STEP 4:** Any remaining Employer contributions will be allocated to each Participant's account in the ratio that each Participant's total Compensation bears to the total Compensation of all Participants.
- (c) For purposes of the allocations made pursuant to this Section 3.04, in no event can the amount allocated to each Participant's IRA exceed the lesser of 25% of the first \$270,000 (or such higher amount, as may be permitted under law) of Compensation or \$54,000, as adjusted under

section 415(d) of the Code. For purposes of the 25% limitation described in the preceding sentence, a Participant's Compensation does not include any elective deferral described in section 402(g)(3) of the Code or any amount that is contributed by the Employer at the election of the Employee and that is not includible in the gross income of the Employee under sections 125, 132(f)(4) or 457 of the Code.

- (d) Annual Overall Permitted Disparity Limit: Notwithstanding the preceding paragraphs, for any calendar year this SEP benefits any Participant who benefits under another SEP or qualified plan described in section 401(a) of the Code maintained by the Employer that provides for Permitted Disparity (or imputes disparity), Employer contributions will be allocated to each Participant's IRA in the ratio that the participant's total compensation for the calendar year bears to all Participants' total Compensation for that year.
- (e) Cumulative Permitted Disparity Limit: Effective for calendar years beginning on or after January 1, 1995, the Cumulative Permitted Disparity Limit for a Participant is 35 total Cumulative Permitted Disparity Years. Total Cumulative Permitted Disparity Years means the number of years credited to the Participant for allocation or accrual purposes under this SEP or any other SEP or any qualified plan described in section 401(a) of the Code (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's Cumulative Permitted Disparity Limit, all years ending in the same Calendar Year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no Cumulative Permitted Disparity Limit.

Except where specifically stated otherwise in this Plan, a Participant's Compensation shall include any elective deferral described in section 402(g)(3) of the Code or any amount that is contributed by the Employer at the election of the Employee and that is not includible in the gross income of the Employee under sections 125, 132(f)(4) or 457 of the Code.

The annual compensation of each Participant taken into account under the SEP for any year shall not exceed \$270,000, as adjusted for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code. If the SEP determines compensation for a period of time that contains fewer than 12 calendar months, then the annual compensation limit is an amount equal to the annual compensation limit for the calendar year in which the compensation period begins multiplied by a fraction, the numerator of which is the number of full months in the short compensation period, and the denominator of which is 12.

**4.05 Earned Income:** The net earnings from self-employment in the trade or business with respect to which the Plan is established, for which personal services of the individual are a material income-producing factor. Net earnings will be determined without regard to items not included in gross income and the deductions allocable to such items. Net earnings are reduced by contributions by the Employer to qualified plans or to a SEP plan to the extent deductible under section 404 of the Code. Net earnings shall be determined with regard to the deduction allowed to the Employer by section 164(f) of the Code.

**4.06 Employee:** An individual, including a Self-Employed, employed by the Employer, who performs services with respect to the trade or business of the Employer. Also any employee of any other employer required to be aggregated under section 414(b), (c) or (m) of the Code; any leased employee within the meaning of section 414(n) of the Code shall be considered an Employee; and all Employees required to be aggregated under section 414(o) of the Code.

**4.07 Employer:** The sole proprietorship, partnership, corporation or other entity identified as such in the Adoption Agreement.

**4.08 Excess Compensation:** A Participant's Compensation in excess of the Integration Level.

**4.09 Excess Contribution Percentage:** The percentage of Compensation contributed under the Plan with respect to each Participant's Excess Compensation.

**4.10 Integration Level:** The taxable wage base, or such lesser amount elected by the Employer in the Adoption Agreement. The taxable wage base is the maximum amount of earnings which may be considered wages for a year under section 3121(a)(1) of the Code in effect as of the beginning of the Plan Year.

**4.11 Maximum Disparity Rate:**

- (a) If the Definite Integrated Contribution Formula is selected by the Employer under Section 3.04(a) above, the Maximum Disparity Rate is equal to the lesser of:
  - (i) 5.7%; or
  - (ii) the applicable percentage determined in accordance with Table I below.

**Table I**

If the Integration Level:

is more than	but not more than	the applicable percentage is:
\$0	X*	5.7%
X* of Taxable Wage Base	80% of Taxable Wage Base	4.3%
80% of Taxable Wage Base	Y**	5.4%
Equal to the Taxable Wage Base	N/A	5.7%

\*X = the greater of \$10,000 or 20% of the Taxable Wage Base.

\*\*Y = any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base

## Article IV

### Glossary of Plan Terms

**4.01 Adoption Agreement:** The document executed by the Employer through which it adopts the Plan and agrees to be bound by all terms and conditions of the Plan.

**4.02 Base Contribution Percentage:** The percentage of Compensation contributed under the Plan (but in no event less than 3%) with respect to that portion of each Participant's Compensation not in excess of the Integration Level.

**4.03 Code:** The Internal Revenue Code of 1986 and the regulations issued thereunder as heretofore or hereafter amended. Reference to a section of the Code shall include that section and any comparable section or sections of future legislation that amends, supplements or supersedes that section.

**4.04 Compensation; 415 Safe Harbor Compensation:** Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan to the extent that the amounts are includible in gross income (including but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Section 1.61-2(c) IRC), and excluding the following:

- (a) Employer contributions to a plan of deferred compensation which are not includible in the employee's gross income for the taxable year in which contributed, or employer contributions under a simplified employee pension plan, or any distributions from a plan of deferred compensation;
- (b) Amounts realized from the exercise of a nonqualified stock option, or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (c) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and
- (d) Other amounts which received special tax benefits, such as premiums for group-term life insurance (but only to the extent the premiums are not includible in the gross income of the employee).

For any Self-Employed individual covered under the plan, Compensation will mean Earned Income.

Compensation shall include only that compensation which is actually paid or made available to the Participant during the year.



- (b) If the Discretionary Integrated Contribution Formula is selected by the Employer under Section 3.04(b) above, the Maximum Disparity Rate is equal to the lesser of:
- (i) 2.7%; or
  - (ii) the applicable percentage determined in accordance with Table II below.

**Table II**

If the Integration Level:

is more than	but not more than	the applicable percentage is:
\$0	X*	2.7%
X* of Taxable Wage Base	80% of Taxable Wage Base	1.3%
80% of Taxable Wage Base	Y**	2.4%
Equal to the Taxable Wage Base	N/A	2.7%

\*X = the greater of \$10,000 or 20% of the Taxable Wage Base.

\*\*Y = any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base

- (c) In no event can the amount allocated to each Participant's IRA exceed the lesser of 25% of the Participant's compensation or \$54,000, as adjusted under section 415(d) of the Code. For purposes of the 25% limitation described in the preceding sentence, a Participant's compensation does not include any elective deferral described in section 402(g)(3) of the Code or any amount that is contributed by the Employer at the election of the Employee and that is not includible in the gross income of the Employee under sections 125, 132(f)(4) or 457 of the Code.

**4.12 Participant:** Any Employee who has met the eligibility requirements of this Plan and who is eligible to receive an Employer contribution.

**4.13 Plan:** The Sponsoring Organization's Prototype Simplified Employee Pension Plan consisting of this plan document and the Adoption Agreement as completed and signed by the Employer.

**4.14 Plan Year:** The 12-consecutive month period specified by the Employer in the Adoption Agreement.

**4.15 Self-Employed:** An individual who has Earned Income for a Plan Year from the trade or business for which the Plan is established. A Self-Employed also includes an individual who would have had Earned Income but for the fact that the trade or business had no net profits for the Plan Year.

**4.16 Sponsoring Organization:** The entity specified in the Adoption Agreement.

**4.17 Trustee:** The financial institution or other organization specified in the Adoption Agreement which qualifies under section 408(a) of the Code and is serving as Trustee or Custodian of the IRA plan to which an Employer contribution is made.

Internal Revenue Service

Department of the Treasury

Prototype SEP 001  
FFN: 50499AAQ00-001 Case: 200200927 EIN: 75-2329951  
Letter Serial No: K410747b

Washington, DC 20224

▷  
PENSERV INC  
1215 MEETINGHOUSE ROAD  
  
AMBLER, PA 19002

Contact Person: Ms. Arrington 50-00197  
Telephone Number: (202) 283-8811  
In Reference to: T:EP:RA:T4  
Date: 10/24/2002

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code. This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

Employers who adopt this approved plan will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

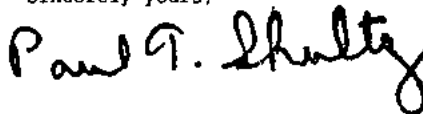
Code section 408(l) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,



Director  
Employee Plans Rulings & Agreements

**Article I**

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

**Article II**

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

**Article III**

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

**Article IV**

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
  - (a) A single sum, or
  - (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Depositor dies on or after the required beginning date and:
    - (i) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy, as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below, if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death reduced by 1 for each subsequent year, or, if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) there is no designated beneficiary, the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
  - (b) If the Depositor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
    - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the Depositor's death. If, however, the designated beneficiary is the Depositor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the Depositor would have reached age 70½. But, in such case, if the Depositor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with paragraph (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (b)(ii) below if there is no such designated beneficiary.
    - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is other than the Depositor's surviving spouse, no additional contributions may be accepted in the account.
5. The minimum amount that must be distributed each year, beginning with the year containing the Depositor's required beginning date, is known as the "required minimum distribution" and is determined as follows:
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the Depositor reaches age 70½, is the Depositor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulation section 1.401(a)(9)-9. However, if the Depositor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the Depositor's account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph 5(a) is determined using the Depositor's (or, if applicable, the Depositor and spouse's) attained age (or ages) in the year.
  - (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the Depositor's death (or the year the Depositor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
  - (c) The required minimum distribution for the year the Depositor reaches age 70½ can be made as late as April 1 of the year following year. The required minimum distribution for any other year must be made by the end of such year.
6. The owner of two or more traditional IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with the regulations under section 408(a)(6).

#### Article V

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by section 408(i) and Regulation sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS.

#### Article VI

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

#### Article VII

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

#### Article VIII

The *Invesco Traditional and Roth IRA Additional Provisions* also apply and are incorporated herein by reference for all purposes.

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**General Instructions** - Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form** - Form 5305-A is a model custodial account agreement that meets the requirements of section 408(a) and has been approved by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (Depositor) and the Custodian and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the Depositor or his or her beneficiaries. Do not file Form 5305-A with the IRS. Instead, keep it with your records. For more information on IRAs, including the required disclosures the Custodian must give the Depositor, see Pub 590, Individual Retirement Arrangements (IRAs).

#### Definitions

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

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

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

**Traditional IRA for Nonworking Spouse.** Form 5305-A may be used to establish the IRA custodial account for a nonworking spouse. Contributions to an IRA custodial account for a nonworking spouse must be made to a separate IRA custodial account established by the nonworking spouse.

#### Specific Instructions

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

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



# Invesco Traditional and Roth IRA Additional Provisions

## For Traditional, Roth, SEP, SARSEP and Rollover IRAs

### 1 | Definitions

**"Account"** The Depositor is establishing a traditional individual retirement account under section 408(a) or a Roth individual retirement account under section 408A of the Internal Revenue Code of 1986, as amended (the "Code"), to provide for his or her retirement and for the support of his or her beneficiaries after death. The Custodian has given the Depositor the disclosure statement required by IRS Regulations section 1.408-6.

**"Custodian"** means Invesco Trust Company (ITC). The Custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as Custodian. The Custodian shall be an agent for the Depositor to perform the duties conferred on it by the Depositor. The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied. The Custodian shall not give tax advice, investment advice, or determine whether or not the IRA is appropriate for the Depositor.

**"Depositor"** means the person who establishes the custodial account.

**"Invesco Fund(s)"** means any of the regulated investment companies within the meaning of Section 851(a) of the Code ("mutual funds") which are advised by Invesco Advisers, Inc., or its affiliates, and which are designated by the Sponsor, in its sole discretion, as eligible for investment hereunder.

**"Service Agent"** means such person or entity as may be designated by the Custodian from time to time with the prior approval of the Sponsor to perform any of the Custodian's administrative duties, except that the Invesco Fund shares held in the Account must be registered in the name of the Custodian or its nominee. No such delegation or subsequent change therein shall be considered an amendment to this Agreement. The Service Agent shall not give tax advice, investment advice, or determine whether or not the IRA is appropriate for the Depositor.

**"Sponsor"** means Invesco Distributors, Inc. or any successor thereto. The Sponsor shall not give tax advice, investment advice, or determine whether or not the IRA is appropriate for the Depositor.

**"Spouse"** Effective June 26, 2013, the term Spouse shall be interpreted as required under federal law.

### 2 | Contributions

- (a) All contributions made under this Agreement, other than rollover contributions (which may include, in the case of a Roth IRA, conversions of other individual retirement plans, as permitted by the Code to be made in kind), shall be deposited in the form of cash and shall be made to the Custodian in accordance with such rules as the Custodian may establish. Any contribution so made with respect to a tax year of the Depositor shall be made prior to the due date of the Depositor's tax return (not including extensions) and unless otherwise indicated in writing by the Depositor, be credited to the tax year in which it is received by the Custodian.
- (b) The Custodian shall have the right to receive rollover contributions as described in the Code (which may include, in the case of a Roth IRA, conversions of other individual retirement plans as described in section 408A(d)(3) of the Code and as permitted by section 408A(c)(3) of the Code as well as distributions from a designated Roth account as described in section 402A(c)(3)(ii) of the Code). If any property is so transferred to it as a rollover contribution (including, in the case of a Roth IRA, as a conversion), the Depositor is instructing the Custodian to sell such property and reinvest the proceeds, less any expenses, fees or commissions, as provided below. The Custodian reserves the right to refuse to accept any property which is not in the form of cash. Any amounts received by the Custodian under this paragraph shall be accompanied by such records and other documents as the Custodian deems necessary to establish the nature, value and extent of the assets, and of the various interests therein.

### 3 | Investment Instructions

- (a) All assets in the Account shall be invested in accordance with the Depositor's instructions in the shares of one or more Invesco Fund(s) as the Depositor may specify from time to time. If the Account is registered with a financial advisor that serves as the dealer of record for the Account, the Custodian may act on investment instructions provided by such financial advisor as if they had been provided directly by the

Depositor. These instructions may relate to current contributions or to amounts previously contributed (including earnings thereon) or to both.

- (1) If the Depositor sends a contribution to the Custodian for a new Account without investment instructions, the Depositor is instructing the Custodian to invest such amounts in Invesco Government Money Market Fund - Cash Reserve Shares. If an Invesco Fund name is specified but no class of share is specified by the Depositor, the Depositor is instructing the Custodian to invest the contribution in Class A shares.
- (2) If the Depositor sends a subsequent contribution to the Custodian for an existing Account without investment instructions and the Depositor holds only one Invesco Fund in his/her Account, the Depositor is instructing the Custodian to buy additional shares of the Invesco Fund and share class already held in the Account. If the Depositor holds multiple Invesco Funds in an existing Account and does not provide investment instructions, the Depositor is instructing the Custodian to invest such subsequent contribution amounts in Invesco Government Money Market Fund - Cash Reserve Shares.
- (3) If the Depositor sends a subsequent contribution to the Custodian for an existing Account that specifies an Invesco Fund name but no class of shares is specified by the Depositor, and the Depositor holds only one available share class in his/her Account, the Depositor is instructing the Custodian to buy the current available share class held in the Account of the Invesco Fund specified.

If the instructions for any contributions received are unclear, as determined solely by the Custodian, the Custodian may request additional information to clarify the instruction but in absence of clarifying instructions, shall hold such amounts uninvested or return any such contributions to the Depositor. Custodian shall not be liable for any loss, including any loss of income or appreciation, interest or any tax liability incurred by the Depositor for any action or inaction described hereunder pending the receipt of instructions or clarification.

- (b) Upon receipt of instructions from the Depositor in a form and manner acceptable to the Custodian, the Custodian may exchange or cause to be exchanged shares of an Invesco Fund held in the Account for the shares of any other Invesco Fund, subject to and in accordance with the terms and conditions of the current prospectuses of such Invesco Fund(s) and as may be agreed upon from time to time between the Custodian and the Sponsor. All dividends and capital gains distributions received on shares of an Invesco Fund held in the Account shall, unless received in additional shares, be reinvested in shares of the Invesco Fund paying such dividends. If any distributions on the shares of an Invesco Fund may be received at the election of the Depositor in additional shares or in cash or other property, the Depositor is instructing the Custodian to receive additional shares.
- (c) The Custodian shall deliver, or cause to be delivered, to the Depositor all notices, prospectuses, financial statements, proxies and proxy soliciting materials relating to Invesco Funds' shares. The Custodian shall not vote any of the shares held hereunder except in accordance with the written instructions of the Depositor, except that the Custodian may vote present for the purpose of establishing the presence of a quorum.
- (d) In the event that any Invesco Fund held in the Account is liquidated, the liquidation proceeds of such Invesco Fund shall be invested in accordance with the instructions of the Depositor; if the Depositor does not give such instructions prior to the liquidation, or if such instructions are unclear or incomplete in the opinion of the Custodian, the Depositor is instructing the Custodian to invest such liquidation proceeds in such other Invesco Fund (including a money market fund if available) as the Sponsor designates, and the Custodian will not have any responsibility for such investment and the Custodian's action will not be considered as providing investment advice or a recommendation to the Depositor.
- (e) Neither the Custodian nor any other party providing services to the Account will have any responsibility for rendering advice with respect to the investment and reinvestment of Depositor's Account, nor shall such parties be liable for any loss or diminution in value which results from Depositor's exercise of investment control over his or her Account. Depositor shall have and exercise exclusive responsibility for and control over the investment of the assets of his or her 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 regarding the purchase, retention or sale of shares of one or more Invesco Fund(s) for the Account.

## 4 | Distributions

- (a) The Custodian shall, from time to time, in accordance with instructions received from the Depositor (or the beneficiary) in a form and manner acceptable to the Custodian, make distributions out of the Account in the manner and amounts specified in such instructions. All such instructions shall be deemed to constitute a certification by the Depositor (or the beneficiary) that the distribution directed is one that the Depositor (or the beneficiary) is permitted to receive. Notwithstanding any other provisions of this Agreement, the Custodian assumes (and shall have) no responsibility to make any distribution to the Depositor (or the beneficiary) unless and until such instructions specify the occasion for such distribution, the elected manner of distribution, and any other required declaration or election. Prior to making any such distribution from the Account, the Custodian shall be furnished with any and all applications, certificates, tax waivers, signature guarantees, and other documents (including proof of any legal representative's authority) deemed necessary by the Custodian. Upon receipt of proper instructions as required above, the Custodian shall cause the assets of the Account to be distributed in cash and/or in kind, as specified in such instructions.
- (b) Age 70½ Default Provisions for Traditional IRAs only: If the Depositor does not choose any of the distribution methods under Article IV of the Traditional Individual Retirement Custodial Account Agreement by the April 1st following the calendar year in which the Depositor reaches age 70½, distribution shall be determined based upon the distribution period in the uniform lifetime distribution period table in Regulation section 1.401(a)(9)-9. However, no payment will be made until the Depositor provides the Custodian with a proper distribution request acceptable to the Custodian. The Custodian reserves the right to require a minimum balance in the account in order to make periodic payments from the account. Upon receipt of such distribution request, the Depositor may switch to a joint life expectancy in determining the required minimum distribution if the Depositor's Spouse was the sole beneficiary as of the January 1st of the distribution calendar year and such Spouse is more than 10 years younger than the Depositor.

## 5 | Transfers

Upon direction of the Depositor in a form and manner acceptable to the Custodian, the Custodian shall transfer the assets held in the Account (reduced by any applicable transfer fees) to a successor individual retirement account, or individual retirement annuity (other than an endowment contract) for the Depositor's benefit.

## 6 | Alienation and Assignment

The assets held in the Account shall not be subject to alienation, assignment, garnishment, attachment, execution or levy of any kind, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent required by law. Any pledging of assets in the Account by the Depositor as security for a loan or any loan or other extension of credit from the Account to the Depositor shall be prohibited.

## 7 | Beneficiaries

- (a) The Depositor shall have the right to designate (or to change), by notice to the Custodian in a form and manner acceptable to the Custodian, a beneficiary or beneficiaries (collectively referred to throughout as "beneficiary") to receive any assets remaining in the Account following the Depositor's death. If no such designation is in effect at the time of the Depositor's death, or if all designated beneficiaries have pre-deceased the Depositor, the Depositor's beneficiary shall be his or her surviving Spouse; provided, however, that if the Depositor is unmarried at the time of his or her death, the Depositor's beneficiary shall be his or her estate. If no indication is made as to whether the beneficiary is primary or contingent, such beneficiary will be deemed as primary beneficiary(ies). If no percentage allocation is provided for the primary beneficiary(ies), any remaining assets in the Account shall be distributed to the primary beneficiary(ies) in equal amounts. The last designation received by the Custodian prior to the Depositor's death shall be controlling, and, whether or not it fully disposes the Account, shall revoke all such other designation previously made by the Depositor and received by the Custodian.

- (b) Notwithstanding any provision to the contrary in Section 7(a) above, if the Depositor has designated his or her Spouse as a beneficiary, effective immediately upon the divorce, annulment or other lawful dissolution of their marriage, the designation of the Spouse as beneficiary shall be null and void, and the beneficiary of the Account shall be determined as if the Spouse had predeceased the Depositor. If the Depositor, whether voluntarily or pursuant to a court order or agreement, determines to retain the ex-Spouse as a beneficiary, the Depositor must submit a new designation of beneficiary, in an acceptable form, dated after the date of the divorce, annulment or other lawful dissolution of the marriage, except to the extent a court order might otherwise provide.
- (c) Following the Depositor's death, the beneficiary shall have all rights and privileges conferred on the Depositor by this Agreement to deal with and dispose of the assets remaining in the Account, limited by any applicable provisions of the Code or the rules and regulations of the Internal Revenue Service promulgated thereunder, and shall be bound by all terms and conditions of this Agreement, as if he or she were the Depositor, upon the exercise or attempted exercise of any control over the Account or the assets remaining therein.
- (d) The Custodian's sole responsibility with regard to the administration of such beneficiary designations shall be to act in accordance with the instructions of natural persons identified by name in the Depositor's notice. The Custodian shall not be charged with any responsibility to administer any trust or to determine the members of any class of natural persons designated in such a notice. If the Depositor submits and the Custodian accepts any notice of beneficiary designation which names a trust or a class of natural persons as beneficiaries to the Account, then the Custodian shall take instructions and certifications from the duly-appointed executor or administrator of the Depositor's estate in order to determine the proper disposition of assets remaining in the Account. The Custodian and Sponsor shall be discharged from any liability arising from their administration of beneficiary designations hereunder to the extent that assets remaining in the Account following the Depositor's death are paid out (i) to natural persons designated by name in the Depositor's notice or (ii) to natural persons or entities identified by the duly-appointed executor or administrator of the Depositor's estate as trustees of designated trusts or, for natural persons only, members of designated classes. In the event of any conflict or inconsistency between this Agreement and the notice of beneficiary designation or any instruction given pursuant to this Section 7, the terms of this Agreement shall govern.
- (e) If the Custodian permits, in the event of the Depositor's death, any beneficiary may name a subsequent beneficiary(ies) to receive the balance of the account to which such beneficiary is entitled upon the death of the original beneficiary by filing a Beneficiary Designation Form acceptable to and filed with the Custodian. Payments to such subsequent beneficiary(ies) shall be distributed in accordance with the payment schedule applicable to the original beneficiary or more rapidly if the subsequent beneficiary requests. In no event can any subsequent beneficiary be treated as a designated beneficiary of the Depositor. The preceding sentence shall not apply with respect to the subsequent beneficiary(ies), if any, designated by the original Spouse beneficiary where the Depositor dies before his or her required beginning date. In this case, the original Spouse beneficiary is treated as the Depositor. If the balance of the account has not been completely distributed to the original beneficiary and such beneficiary has not named a subsequent beneficiary or no named subsequent beneficiary is living on the date of the original beneficiary's death, such balance shall be payable to the estate of the original beneficiary.
- (f) If the beneficiary is a minor under the laws of his or her state of residence, then a parent or guardian shall exercise all powers and duties of the beneficiary, as indicated herein, and shall sign the account application on behalf of the minor. The Custodian's acceptance of the Account on behalf of any beneficiary who is a minor is expressly conditioned upon the agreement of the parent or guardian to accept the responsibility to exercise all such powers and duties, and all parties hereto so acknowledge. Upon attainment of the age of majority under the laws of the beneficiary's state of residence at such time, the beneficiary 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 Account. Upon such notice to the Custodian, the beneficiary shall have and shall be responsible for all of the foregoing, the Custodian will deal solely with the beneficiary as the person controlling the administration of the Account, and the beneficiary's parent or guardian thereafter shall not have or exercise any of the foregoing. (Absent such written notice from the beneficiary, Custodian shall be under no obligation to acknowledge the beneficiary's right to exercise such powers and authority and may continue to rely on the parent or guardian to exercise such powers and authority until notified to the contrary by the beneficiary.)

## 8 | Limitation of Liability

- (a) Neither the Custodian nor the Sponsor shall be responsible for the collection of contributions, the deductibility of any contribution, or the propriety of any contributions received by it under this Agreement; the selection of any shares of any Invesco Fund; or the purpose or propriety of any distribution ordered, which matters are the sole responsibility of the Depositor or the beneficiary.
- (b) Neither the Custodian nor the Sponsor shall be responsible for any losses, penalties or any other consequences to the Depositor or to any other person arising out of the making of any contribution to, investment for, or distribution from the Account.
- (c) Neither the Custodian nor the Sponsor shall be liable for complying with instructions which appear to be genuine on their face, or for refusing to comply if not satisfied such instructions are genuine, and neither party assumes (and neither party shall have) any duty of further inquiry.

## 9 | Account Statements

In addition to any other required reports, the Custodian shall cause to be sent to the Depositor (or the beneficiary) periodic statements and, in respect of each tax year, a statement accounting for all transactions affecting the Account during such year and a statement showing the positions in the Account as of the end of such year. If, within thirty (30) days of sending or causing to be sent of any such periodic or year-end statement, the Depositor (or the beneficiary) has not given the Custodian or the Sponsor written notice of any exception or objection thereto, the accounting for all transactions reflected thereon shall be deemed to have been approved, and in such case, or upon the written approval of the Depositor (or the beneficiary), the Custodian and the Sponsor shall be released, relieved and discharged with respect to all matters set forth in such statement as though the Account had been settled by judgment or decree of a court of competent jurisdiction.

## 10 | Age of Depositor

In order to establish an Account, the Depositor must have reached the age of majority under the laws of the Depositor's state of residence at such time that the account is established.

## 11 | Indemnification

The Custodian shall have the right to rely upon any information furnished by the Depositor (or the beneficiary). The Depositor and the Depositor's legal representatives or the beneficiary and the beneficiary's legal representatives, as appropriate, shall always fully indemnify the Custodian, the Sponsor, the Invesco Funds, and each of their respective directors, officers, employees, and/or agents, and hold each of them harmless from any and all liability whatsoever which may arise in connection with the establishment and maintenance of the Account and the performance of their obligations under this Agreement (including that which arises out of their own negligence or the negligence of their agents), except that which arises due to their gross negligence, willful misconduct or lack of good faith. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement unless agreed upon by the Custodian and the Depositor or said legal representatives (or beneficiary or his or her legal representatives) and unless fully indemnified for so doing to the Custodian's satisfaction.

## 12 | Choice of Law and Venue

This Agreement shall be construed in accordance with the laws of the State of Texas. All parties to this Agreement hereby waive and agree to waive the

right to trial by jury in any action or proceeding instituted in respect to the establishment or maintenance of the Account. The Depositor further agrees that the venue of any litigation between the Depositor and the Custodian or the Sponsor with respect to the establishment, maintenance or distribution of the Account shall be in the State of Texas.

## 13 | Amendments

The Depositor and the Custodian hereby delegates to the Sponsor the power to amend at any time and from time to time the terms and provisions of this Agreement. The Depositor and Custodian hereby consent to such amendments, provided such amendments comply with all applicable provisions of the Code, the regulations thereunder and with any other governmental law, regulation or ruling. Any such amendments shall be effective as of the date specified in a written notice sent by first-class mail to the address of the Depositor (or the beneficiary) indicated by the Custodian's records, except that no amendment which increases the burdens of the Custodian shall take effect without the Custodian's prior written consent.

## 14 | Notices

- (a) If any provision of any document governing the 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 Custodial Service Agent 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.
- (b) The Custodian shall not be bound by any certificate, notice, order, information or other communication unless and until it shall have been received in the form and manner prescribed by the Custodian at its place of business.

## 15 | Resignation of Custodian

- (a) The Custodian may resign and appoint a successor trustee or custodian to serve under this agreement or under another governing agreement selected by the successor trustee or custodian by giving the Depositor written notice at least 30 days prior to the effective date of such resignation and appointment, which notice shall also include or be provided under separate cover a copy of such other governing instrument, if applicable, and the related disclosure statement. The Depositor shall then have 30 days from the date of such notice to either request a distribution of the entire account balance or designate a different successor trustee or custodian and notify the Custodian of such designation. If the Depositor does not request distribution of the account balance or notify the Custodian of the designation of a different successor trustee or custodian within such 30 day period, the Depositor shall be deemed to have consented to the appointment of the successor trustee or custodian and the terms of any new governing instrument, and neither the Depositor nor the successor shall be required to execute any written document to complete the transfer of the account to the successor trustee or custodian. The successor trustee or custodian may rely on any information, including beneficiary designations, previously provided by the Depositor to the Custodian.
- (b) The Custodian may resign and demand that the Depositor appoint a successor trustee or custodian of this IRA by giving the Depositor written notice at least 30 days prior to the effective date of such resignation. The Depositor shall then have 30 days from the date of such notice to designate a successor trustee or custodian, notify the Custodian of the name and address of the successor trustee or custodian, and provide the Custodian with appropriate evidence that such successor has accepted the appointment and is qualified to serve as trustee or custodian of an individual retirement account.
  - (1) If the Depositor designates a successor trustee or custodian and provides the Custodian evidence of the successor's acceptance of appointment and qualification within such 30-day period, the Custodian shall then deliver all of the assets held by the Custodian in the account (whether in cash or personal or real property, wherever located, and regardless of value) to the successor trustee or custodian.
  - (2) If the Depositor does not notify the Custodian of the appointment of a successor trustee or custodian within such 30 day period, then the Custodian may distribute all of the assets held by the Custodian in

the account (whether in cash or personal or real property, wherever located, and regardless of value) to the Depositor, outright and free of trust, and the Depositor shall be wholly responsible for the tax consequences of such distribution.

## **16 | Fees**

- (a) The Custodian may charge the Depositor (or the beneficiary) reasonable fees, including an annual maintenance fee, for services rendered hereunder according to standard schedules of rates which may be in effect from time to time. Initially, the fees payable to the Custodian shall be those set forth in the Account application. Upon thirty (30) days' prior written notice, the Custodian may substitute a fee schedule differing from that schedule initially provided.
- (b) Custodian's fees, related business income tax, gift, state 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 Account, that may be levied on or incurred by the Custodian in the performance of its duties hereunder may be charged to the assets held in the Account, with the right to liquidate shares of any Invesco Funds for this purpose, or (at Custodian's option) may be charged directly to the Depositor (or the beneficiary).

## **17 | Role of the Employer**

The Depositor understands, acknowledges and agrees that by participating in a SEP or SARSEP plan, his or her employer may be given (i) access to information regarding his or her Account and (ii) the ability to instruct the Custodian with regard to the investment of contributions made on behalf and/or for the benefit of the Depositor.

## **18 | Provisions Specifically for Roth IRAs**

- (a) Spousal Beneficiary Provisions: Notwithstanding the provisions of Article 5.03 of the Roth Individual Retirement Account Custodial Agreement, if the Depositor's only primary beneficiary is the surviving Spouse, such Spouse may, in lieu of being treated as the Depositor, elect to be treated as a non-Spouse beneficiary for purposes of the provisions of Articles 5.01 and 5.02, but including the special rule provided under section 401(a)(9)(B)(iv) of the Code. Thus, a surviving Spouse beneficiary may remain the beneficiary of the deceased Spouse's Roth IRA and be able to take death distributions under the five year rule or the exception to the five year rule, including the ability to wait to begin receiving distributions over his or her single life expectancy by December 31 of the year the deceased Spouse would have attained the age of 70½ had he or she lived, if this date is later than the December 31 immediately following the year of death. In addition, if the surviving Spouse is not the sole beneficiary of the Roth IRA, in addition to the provisions of Articles 5.01 and 5.02, the surviving Spouse beneficiary may elect to treat his or her beneficial portion of the deceased Spouse's Roth IRA as his or her own Roth IRA.
- (b) Responsibility for Determining Eligibility for Conversion Contributions: Notwithstanding the provisions of the third sentence of Article 2.01, the Depositor agrees to be solely responsible for determining eligibility to convert any of the Depositor's traditional IRAs or an employer's plan to a Roth IRA. The conversion eligibility requirements are eliminated for years after December 31, 2009.
- (c) Combining Regular Roth IRA Contributions with Roth Conversion Contributions: The Depositor may combine regular Roth IRA contributions in the same Roth IRA account as Roth IRA conversion contributions. The Depositor agrees to designate each deposit as either a regular Roth IRA contribution (and the tax year to which it relates) or a Roth IRA conversion contribution. The Depositor further agrees that he or she will be solely responsible for any recordkeeping of such deposits as determined or required by the Internal Revenue Service, including but not limited to, the timing, ordering and taxation of any distributions.





# Invesco Traditional IRA Disclosure Statement

For Traditional, SEP, SARSEP and Rollover IRAs

Under applicable federal regulations, a custodian of an individual retirement account (an "IRA") is required to furnish each Depositor who has established or is establishing an account with a statement which discloses certain information regarding the IRA. Invesco Trust Company, the Custodian of your Invesco Traditional IRA, is providing this Disclosure Statement to you in accordance with that requirement. This Disclosure Statement should be reviewed in conjunction with the Traditional Individual Retirement Custodial Account Agreement, which governs the maintenance of your IRA (the "Custodial Agreement"). You should review each of these documents with your attorney or tax advisor. The Custodian shall not give tax advice, investment advice, or determine whether or not the IRA is appropriate for you. The information in this Disclosure Statement describes federal tax requirements and does not constitute tax or investment advice.

## A | Rights to Revoke Your IRA Account

You may revoke your IRA at any time within seven days after the date the IRA is established, by giving proper notice to Invesco Investment Services, Inc., ("IIS") agent for the Custodian. For purposes of revocation, it will be assumed that you received this Disclosure Statement no later than the date of the check or wire transfer with which you opened your IRA. Notice of revocation must be in writing and given to: Invesco Investment Services, Inc., P.O. Box 219078, Kansas City, MO 64121-9078. If you revoke your IRA, you are entitled to a refund of your entire contribution to the IRA, without adjustment for such items as sales commissions, administrative expenses or fluctuation in market value. If you do not deliver notice of revocation within the seven-day period after the establishment of the IRA (or on the next succeeding business day if that period ends on a Saturday, Sunday or legal holiday), you will be deemed to have accepted the terms and conditions of the Custodial Agreement and cannot later revoke the IRA. If you have any questions concerning your right of revocation, please call IIS at 800 959 4246.

## B | General Requirements of a Traditional IRA

An IRA is a trust or custodial account created or organized under state law for your exclusive benefit or that of your beneficiaries, as described in Section 408 of the Internal Revenue Code of 1986, as amended (the "Code"). The Invesco Traditional IRA is organized as a custodial account under Texas law using the terms set for in IRS Form 5305-A and has the following basic attributes:

- Except for rollover contributions, no contribution will be accepted unless it is in cash or cash equivalent, including, but not by way of limitation, personal checks, cashier's checks, and wire transfers.
- The annual contributions you make on your behalf to all of your traditional and Roth IRAs may not exceed the lesser of 100% of your compensation or the "applicable annual dollar limitation" (defined below), unless you are making a qualified rollover, transfer, or SEP contribution.
- Roth IRA contributions may not be made into this account.
- Regular, annual contributions cannot be made for any year beginning the year you attain the age of 70½.
- Your regular annual contributions for any taxable year may be deposited at any time during that taxable year and up to the due date for the filing of your Federal income tax return for that taxable year, no extensions. This generally means April 15th of the following year.
- The Custodian of your IRA must be a bank, savings and loan association, credit union or a person who is approved to act in such a capacity by the Secretary of the Treasury.
- No part of the trust or custodial funds may be invested in life insurance contracts.
- Your interest in your IRA is nonforfeitable at all times.
- The assets in your IRA may not be commingled with other property except in a common trust fund or common investment fund.
- You may not invest the assets of your IRA in collectibles (as described in Section 408(m) of the Code). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS.
- Your interest in your IRA must begin to be distributed to you by the April 1st following the calendar year you attain the age of 70½. The methods of distribution, election deadlines, and other limitations are described in detail below.

## C | Who is Eligible to Make a Regular Traditional IRA Contribution?

You are permitted to make a regular contribution to your IRA for any taxable year prior to the taxable year you attain age 70½, and if you receive compensation for such taxable year. Compensation includes salaries, wages, tips, commissions, bonuses, alimony, royalties from creative efforts and "earned income" in the case of self-employed person. Members of the Armed Forces who serve in combat zones who receive compensation that is otherwise non-taxable, are considered to have taxable compensation for purposes of making regular IRA contributions. The amount of your regular, annual contribution that is deductible depends upon whether or not you are an active participant in a retirement plan maintained by your employer; your modified adjusted gross income (Modified AGI); your marital status; and your tax filing status.

## D | Active Participant

You are considered an active participant if you participate in your employer's qualified pension, profit-sharing, or stock bonus plan qualified under Section 401(a) of the Code; qualified annuity under Section 403(a) of the Code; a simplified employee pension plan (SEP) under Section 408(k) of the Code; a retirement plan established by a government for its employees (this does not include a Section 457 plan); Tax-sheltered annuities (TSA) or custodial accounts under Section 403(b) of the Code; pre-1959 pension trusts under Section 501(c)(18) of the Code; and SIMPLE retirement plans under Section 408(p) of the Code.

The W-2 form will have a check in the "retirement plan" box if you are covered by a retirement plan. You can also obtain IRS Notice 87-16 for more information on active participation in retirement plans for IRA deduction purposes.

## E | Contributions

**Regular Contributions** - The maximum amount you may contribute for any one year is the lesser of 100% of your compensation or the "applicable annual dollar limitation" described below. This is your contribution limit. The deductibility of regular IRA contributions depends upon your marital status, tax filing status, whether or not you are an "active participant" and your Modified AGI.

Applicable Annual Dollar Limitation	
Tax Year	Contribution Limit
2010 through 2012	\$5,000
2013 through 2017	\$5,500

After 2017, the \$5,500 annual limit will be subject to cost-of living increases in increments of \$500, rounded to the lower increment. This means that it may take several years beyond 2017 for the \$5,500 annual limit to increase to \$6,000.

**Catch-up Contributions** - If an individual has attained the age of 50 before the close of the taxable year for which an annual contribution is being made and meets the other eligibility requirements for making regular traditional IRA contributions, the annual IRA contribution limit for that individual would be increased as follows:

Tax Year	Normal Limit	Additional Catch-up	Total Contribution
2010 through 2012	\$5,000	\$1,000	\$6,000
2013 through 2017	\$5,500	\$1,000	\$6,500

The additional catch-up amount for traditional IRAs is not subject to Cost of Living Adjustment (COLAs). Therefore, after 2017 when the \$5,500 normal limit increases to \$6,000 due to COLAs, the additional catch-up amount will remain at \$1,000 with no further increases to the catch-up amount.

**Deductibility for Nonactive Participants** - If you (and your Spouse) are not an active participant, then the applicable annual dollar limitation is also your deduction limit for Federal income tax purposes.

**Deductibility for Active Participants** - Unmarried active participant (or a married person filing a separate tax return who did not live with their Spouse at any time during the year). The amount of your IRA deduction depends upon your Modified AGI for the taxable year. If your Modified AGI is below a certain amount, you can deduct the entire contribution. If your Modified AGI

is above a certain amount, you cannot deduct any of the contribution. If your Modified AGI is between certain amounts, you are entitled to a partial deduction. Any contributions that you cannot deduct because of the active participation rules are called nondeductible contributions and you must report these contributions to the IRS on Form 8606.

**Married Active Participant Filing a Joint Tax Return** - The amount of your IRA deduction depends upon your Modified AGI for the taxable year. If your Modified AGI is below a certain amount, you can deduct the entire contribution. If your Modified AGI is above a certain amount, you cannot deduct any of the contribution. If your Modified AGI is between certain amounts, you are entitled to a partial deduction. Any contributions that you cannot deduct because of the active participation rules are called nondeductible contributions and you must report these contributions to the IRS on Form 8606.

**Married Active Participant Filing a Separate Return (who lived together at any time during the year)** - If you have a separate Modified AGI of more than \$10,000 no deduction is permitted if either you or your Spouse was an active participant for the year. If your or your Spouse's separate Modified AGI is more than \$0 but less than \$10,000, then each Spouse's deductible limit is reduced for every \$1 of Modified AGI between \$0 and \$10,000.

Refer to the chart below for the Modified AGI ranges. Also refer to IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) for additional information.

**Deductibility of Regular Contributions** - The Modified AGI dollar ranges for certain active participants in employer-sponsored plans are as follows:

**Married Participants Filing Jointly**

2013	\$95,000 - \$115,000
2014	\$96,000 - \$116,000
2015	\$98,000 - \$118,000
2016	Unchanged
2017	\$99,000 - \$119,000

**Unmarried Participants**

2013	\$59,000 - \$69,000
2014	\$60,000 - \$70,000
2015	\$61,000 - \$71,000
2016	Unchanged
2017	\$62,000 - \$72,000

**Married Participants Filing Separately\***

2012 through 2017 \$0 - \$10,000

*\*This Modified AGI dollar range also applies to a nonactive participant Spouse who files separately, where his or her Spouse is an active participant.*

**Special Deduction Rule for Spouse Who is not an Active Participant** - In the case where an IRA participant is not an active participant in an employer plan at any time during a taxable year but whose Spouse is an active participant, a special Modified AGI range applies in calculating the nonactive participant's IRA deduction. In order to use this special deduction rule, such Spouse must file a joint income tax return with their Spouse who is the active participant. The Modified AGI dollar ranges for the Spouse who is not an active participant are as follows:

2013	\$178,000 - \$188,000
2014	\$181,000 - \$191,000
2015	\$183,000 - \$193,000
2016	\$184,000 - \$194,000
2017	\$186,000 - \$196,000

**Spousal IRAs** - If during any year you receive compensation and your Spouse receives no compensation (or chooses to be treated as receiving no compensation), you may make contributions to both your IRA and your Spouse's IRA. If you are eligible then you may contribute 100% of your combined compensation not to exceed the applicable annual dollar limitation divided any way you wish so long as no more than the applicable annual dollar limitation is contributed into either account. You and your Spouse must file a joint tax return and have unequal compensations to take advantage of this spousal contribution limit.

If you are over the age of 70½ and your Spouse is under age 70½, then a regular contribution may still be made for the year into the IRA established by your Spouse. Such contribution, however, is limited to the lesser of 100% of your combined compensation or the applicable annual dollar limitation.

If you or your Spouse are an active participant in an employer-sponsored plan, then the IRA deduction for your IRA and your Spouse's IRA contribution is based upon the Modified AGI "phase-out" ranges in exactly the same manner as the phase-out under the "Married Active Participant Filing a Joint Tax Return" or under the "Special Deduction Rule for Spouse Who is not an Active Participant", whichever applies, as explained above.

**\$200 Minimum Deduction** - If you fall into any of the categories listed above, your minimum allowable deduction will be \$200 until phased out under the appropriate marital status. In other words, if your deductible amount calculated under the appropriate dollar amounts above results in a deduction between \$0 and \$200, your permitted deduction is \$200 of the calculated deduction.

**Nondeductible IRA Contributions** - You may make a nondeductible IRA contribution in one of two ways. First, you are permitted to treat any regular IRA contributions that are not deductible due to your active participation status as explained above as nondeductible contributions. Secondly, you are permitted to treat an otherwise deductible IRA contribution as a nondeductible contribution. Your total contribution for the year however, is still limited to the lesser of 100% of your compensation or the applicable annual dollar limitation.

Nondeductible IRA contributions represent money in your IRA which has already been taxed. Therefore, when you receive a distribution from any of your traditional IRAs (including SEP IRAs and SIMPLE IRAs), a portion of each distribution will be treated as a tax-free return of your nondeductible contributions. You are responsible for indicating the amount of nondeductible IRA contributions you make for a year on IRS Form 8606 which is attached to your Federal income tax return.

If you make a nondeductible IRA contribution for a year and you decide not to treat it as a nondeductible contribution, you must withdraw the contribution plus earnings attributable to the nondeductible contribution on or before the tax filing deadline, including extensions, for the year during which the contribution was made. You may not take a deduction for such amounts. Such earnings will be taxable to you in the year in which the contribution was made and may be subject to the 10% additional tax if you are under the age of 59½.

**Special Rules for Qualified Reservist Distributions** - Qualified Reservist Distributions are eligible to be repaid to an IRA within a 2-year period after the end of active duty. A Qualified Reservist Distribution is a distribution received from an IRA by members of the National Guard or reservists who are called to active duty for a period of at least 180 days and such distribution is taken during the period of such active duty. This provision is retroactively effective with respect to distributions after September 11, 2001, for individuals called to active duty after September 11, 2001. The repayments are not treated as tax-free rollovers. Instead, these repayments become basis in the IRA.

**Simplified Employee Pension Plan (SEP) Contributions** - Your employer may make a SEP contribution on your behalf into this IRA up to 25% of your compensation not to exceed a specified dollar limit. This limit is a per employer limit. Therefore if you work for more than one employer who maintains a SEP plan, you may receive up to 25% of your compensation from each employer not to exceed a specified dollar limit. Your employer may contribute to this IRA or any other IRA on your behalf under a SEP plan even if you are age 70½ or over, and even if you are covered under a qualified plan for the year.

In calculating a SEP contribution, there is a maximum compensation limit that can be considered and this limit is subject to cost-of-living adjustments. Also, there is a maximum SEP contribution limit each year that is subject to cost-of-living adjustments. These limits are as follows:

<u>Tax Year</u>	<u>Maximum Compensation Limit</u>	<u>Maximum SEP Contribution Limit</u>
2013	\$255,000	\$51,000
2014	\$260,000	\$52,000
2015 through 2016	\$265,000	\$53,000
2017	\$270,000	\$54,000

## F | Excess Contributions

Generally an excess IRA contribution is any contribution which exceeds the applicable contribution limits, and such excess contribution is subject to a 6% excise tax penalty on the principal amount of the excess each year until the excess is corrected. You must file IRS Form 5329 to report this excise tax.

**Method #1: Withdrawing Excess in a Timely Manner** - This 6% penalty may be avoided if the excess amount plus the earnings attributable to the excess are distributed by your tax filing deadline including extensions for the year during which the excess contribution was made, and you do not take a deduction for such excess amount. If you decide to correct your excess in this manner, the principal amount of the excess returned is not taxable, however, the earnings attributable to the excess are taxable to you in the year in which the contribution was made. In addition, if you are under age 59½, the earnings attributable are subject to a 10% premature distribution penalty. This is the only method of correcting an excess contribution that will avoid the 6% penalty.

**Method #2: Withdrawing Excess After Tax Filing Due Date** - If you do not correct your excess contribution under Method #1 prescribed above, then you may withdraw the principal amount of the excess (no earnings need be distributed). The 6% penalty will, however, apply first to the year in which the excess was made and each subsequent year until it is withdrawn.

**Excess Amount May be Taxable** - If the principal amount of your excess contribution is withdrawn after your tax filing deadline for the year during which the contribution was made in accordance with Method #2, it is not taxable unless the total amount of contributions you made during the year the excess was made exceeded the applicable annual dollar limitation. If the aggregate contribution is greater than the applicable annual dollar limitation, the principal amount of the excess withdrawn under Method #2 is taxable and is subject to the 10% additional tax if you are not yet age 59½. There are exceptions to this rule if the excess was due to a rollover where the taxpayer received erroneous information or if the contribution was a SEP contribution.

**Method #3: Undercontributing in a Subsequent Year** - Another method of correcting an excess contribution is to treat a prior year excess as a regular contribution in a subsequent year where you have an unused contribution limit for such subsequent year. Basically, all you do is undercontribute in the first subsequent year where you have an unused contribution limit until your excess amount is used up. However, once again, you will be subject to the 6% penalty in the first year and each subsequent year on any excess contribution that remains as of the end of each year.

## G | Rollovers and Recharacterization

**Rollover Contribution from Another Traditional IRA** - A rollover from another traditional IRA is any amount you receive from one traditional IRA and redeposit (roll over) some or all of it over into another traditional IRA. You are not required to roll over the entire amount received from the first traditional IRA. However, any amount you do not roll over will be taxed at ordinary income tax rates for Federal income tax purposes.

**The following special rules also apply to rollovers between IRAs:**

- The rollover must be completed no later than the 60th day after the day the distribution was received by you. However, if the reason for distribution was for qualified first time home buyer expenses and there has been a delay or cancellation in the acquisition of such first home, the 60 day rollover period is increased to 120 days. This 60 day rollover period may also be extended in cases of disaster or casualty beyond the reasonable control of the taxpayer.
- You may have only one IRA to IRA rollover during a 12 consecutive month period measured from the date you received a distribution from an IRA which was rolled over to another IRA. The limitation applies on an aggregate basis. So if you have multiple IRAs and make such a rollover involving any one of your IRAs, you may not make another rollover from/to any of the IRAs you hold within 12 consecutive months of receiving the rollover distribution. (See IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs) for more information).

- The same property you receive in a distribution from the first IRA must be the same property you roll over into the second IRA. For example, if you receive a distribution from an IRA of property, such as stocks, that same stock must be the property that is rolled over into the second IRA.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to receive a complete distribution from your IRA in order to make a rollover contribution into another IRA, nor are you required to roll over the entire amount you received from the first IRA.
- If you inherit an IRA due to the death of the participant, you may not roll this IRA into your own IRA unless you are the Spouse of the decedent.
- If you are age 70½ or older and wish to roll over to another IRA, you must first satisfy the required minimum distribution for that year and then the rollover of the remaining amount may be made.
- Rollovers from a SEP IRA or an Employer IRA follow the IRA to IRA rollover rules since your contributions under these types of plans are funded directly into your own traditional IRA.
- A rollover or transfer from a SIMPLE IRA to any other IRA may not occur until a two-year period (measured from the initial contribution made into your SIMPLE IRA) has been satisfied.

**Special Rollover Rules for Qualified Hurricane Distributions and the Kansas Disaster Area** - Qualified Hurricane and Kansas Disaster Area Distributions are eligible to be rolled over to an IRA within a 3-year period after the eligible individual received such distribution. More information on Qualified Hurricane Distributions and other tax relief provisions applicable to affected individuals of Hurricanes Katrina, Rita or Wilma is in IRS Publication 4492. Taxpayers using these tax relief provisions must file Form 8915 with his or her Federal income tax return. More information on the Kansas Disaster Area is in IRS Publication 4492-A, including instructions for modifying Form 8915.

**Special Rollover Rules for Midwestern Disaster Area Distributions referred to as "Qualified Disaster Recovery Assistance Distributions"** - Qualified Disaster Recovery Assistance Distributions are eligible to be rolled over to an IRA within a 3-year period after the eligible individual received such distribution. More information on the Midwestern Disaster Area is in IRS Publication 4492-B and Form 8930.

**Special Rules for Qualified Settlement Income Received from Exxon Valdez Litigation** - Any qualified taxpayer who receives qualified settlement income during the taxable year, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of: (a) \$100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years); or (b) the amount of qualified settlement income received by the individual during the taxable year.

The contribution will be deemed made on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the deadline for filing the income tax return for such year, not including extensions thereof.

If the settlement income is contributed to a traditional IRA such income is not currently includible in the taxpayer's gross income

A qualified taxpayer means:

1. Any individual who is a plaintiff in the civil action *In re Exxon Valdez*, No. 89-095-CV (HRH) (Consolidated) (D. Alaska); or
2. Any individual who is a beneficiary of the estate of such a plaintiff who acquired the right to receive qualified settlement income from that plaintiff and was the Spouse or an immediate relative of that plaintiff.

**Recharacterizations** - You may be able to recharacterize certain contributions under the following two different circumstances:

1. By recharacterizing a current year regular contribution plus earnings explained in this section; or
2. By recharacterizing a conversion made to a Roth IRA by transferring the amount plus earnings back to a traditional IRA discussed in the next section under the heading "Conversion from a Traditional IRA to a Roth IRA".

If you decide by your tax filing deadline (including extensions) of the year for which the contribution was made to transfer a current year contribution plus earnings from your traditional IRA to a Roth IRA, no amount will be included in your gross income as long as you did not take a deduction for the amount of the contribution. You may also recharacterize a current year contribution plus earnings from your Roth IRA to a traditional IRA by your tax filing deadline including extensions of the year for which the contribution was made. A regular contribution that is appropriately recharacterized from your Roth IRA to a traditional IRA may be deductible depending upon the deductibility rules previously discussed. In order to recharacterize a regular contribution from one type of IRA to another type of IRA, you must be eligible to make a regular contribution to the IRA to which the contribution plus earnings is recharacterized. All recharacterizations must be accomplished as a direct transfer, rather than a distribution and subsequent rollover. You are also required to report recharacterizations to the IRS in accordance with the instructions to IRS Form 8606. Any recharacterized contribution (whether a regular contribution or a conversion) cannot be revoked after the transfer. You are required to notify both trustees (or custodians) and to provide them with certain information in order to properly effectuate such a recharacterization.

**Conversion from a Traditional IRA to a Roth IRA** - You are permitted to make a qualified rollover contribution from a traditional IRA to a Roth IRA if your Modified AGI for the year during which the distribution is made does not exceed \$100,000 and you are not a married person filing a separate tax return. This is called a "conversion" and may be done at any time without waiting the usual 12 months. Modified AGI for purposes of a conversion does not include any distributions from a traditional IRA that are converted to a Roth IRA and included in income. Modified AGI is determined before deductible traditional IRA contributions. Effective for distributions after December 31, 2004, Modified AGI also does not include any amounts that are required minimum distributions pursuant to Section 408(a)(6), but only for purposes of determining eligibility for conversion contributions. Effective in 2010, the restrictions for modified AGI limits and to a married person filing a separate tax returns are repealed.

You are also permitted to recharacterize a conversion made to a Roth IRA if the amount plus earnings is transferred back to a traditional IRA before the tax filing deadline including extensions for the year that the original conversion came from a traditional IRA.

#### **Taxation in Completing a Conversion from a Traditional IRA to a Roth IRA**

- If you complete a conversion from a traditional IRA to a Roth IRA, the conversion amount (to the extent taxable) is generally included in your gross income for the year during which the distribution is made from your traditional IRA that is converted to a Roth IRA. However, the 10% additional income tax for premature distributions does not apply. If a taxpayer converts an eligible plan to a Roth IRA in 2010, the entire taxable amount of the conversion can be either: (a) included in gross income for the year of the conversion or (b) included in gross income by including only 1/2 of the taxable amount the year following the conversion and the remaining 1/2 of the taxable amount the next year.

**Reconversions** - Once an amount has been properly converted, and is then recharacterized back to a traditional IRA, any subsequent conversion of that amount is called a "reconversion". In general, for reconversions beginning in 2000 and thereafter, you may reconvert an amount at any time after the later of (a) the tax year following the tax year during which the original conversion of that amount occurred; or (b) 30 days following the date that the original conversion of that amount was recharacterized back to a traditional IRA. Since adverse tax consequences could arise, it is recommended that you seek the advice of your own tax advisor.

**Qualified Rollover Contribution** - This term includes: (a) rollovers between Roth IRA accounts; (b) traditional IRA converted to a Roth IRA; (c) direct rollover from an employer's plan of funds other than a designated Roth contribution account; and (d) a rollover from a designated Roth contribution account to a Roth IRA. Qualified Rollover Contributions must meet the general IRA rollover rules, except that the 12 month rollover restriction does not apply to rollovers (conversions) between a traditional IRA and a Roth IRA. However, the 12 month rule does apply to rollovers between Roth IRAs. Beginning in 2008, rollovers from employer-sponsored plans, such as qualified plans and

403(b)s, to a Roth IRA are permitted. You could also roll over from the employer's plan to a traditional IRA, and then roll over (convert) to a Roth IRA if you meet the conversion eligibility requirements discussed earlier.

**Rollovers From Employer-Sponsored Plans to a Traditional IRA** - The rules discussed in the remainder of this section apply only to amounts under an employer's plan, other than designated Roth contribution accounts. An eligible rollover distribution from a designated Roth contribution account can be rolled over only to a Roth IRA or another accepting employer's plan. Rollovers to traditional IRAs are permitted if you have received an eligible rollover distribution from one of the following:

- A qualified plan under Section 401(a);
- A qualified annuity under Section 403(a);
- A Tax-Sheltered Annuity (TSA) or Custodial Account under Section 403(b);
- A governmental Section 457(b) plan; or
- The Federal Employees' Thrift Savings Plan.

**Eligible Rollover Distributions** - An eligible rollover distribution from one of the employer-sponsored plans listed above generally includes any distribution that is not:

1. part of a series of substantially equal payments that are made at least once a year and that will last for:
  - your lifetime (or your life expectancy), or
  - your lifetime and your beneficiary's lifetime (or joint life expectancies), or
  - a period of ten years or more.
2. attributable to your required minimum distribution for the year
3. amounts attributable to any hardship distribution
4. deemed distributions of any defaulted participant loan
5. certain corrective distributions and ESOP dividends

**Rollovers of After-Tax Employee Contributions** - You can roll over your after-tax employee contributions to a traditional IRA either as a 60-day rollover or as a direct rollover. If you roll over your after-tax employee contributions to a traditional IRA, you are required to keep track of these amounts as required by the IRS according to their instructions. This will enable you to calculate the nontaxable amount of any future distributions from your traditional IRAs. Once you roll over your after-tax employee contributions to a traditional IRA, it becomes "basis" in the IRA and these amounts cannot later be rolled over to an employer plan.

**Direct Rollover to Another Plan** - You can elect a direct rollover of all or any portion of your payment that is an "eligible rollover distribution", as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to a traditional IRA or another employer plan that accepts rollovers. If you elect a direct rollover, you are not taxed on the payment until you later take it out of the IRA or the employer plan, and you will not be subject to the 20% mandatory Federal income tax withholding otherwise applicable to Eligible Rollover Distributions that are paid directly to you. Your employer is required to provide you with a notice regarding the effects of electing or not electing a direct rollover to an IRA or another employer plan. Although a direct rollover is accomplished similar to a transfer, the IRA Custodian must report the direct rollover on Form 5498 as a rollover contribution.

**Eligible Rollover Distribution Paid to You** - If you choose to have your eligible rollover distribution paid to you (instead of electing a direct rollover), you will receive only 80% of the payment, because the plan administrator is required to withhold 20% of the payment and send it to the IRS as Federal income tax withholding to be credited against your taxes. However, you may still roll over the payment to an IRA within 60 days after receiving the distribution. The amount rolled over will not be taxed until you take it out of the IRA. If you want to roll over 100% of the payment to an IRA, you must replace the 20% that was withheld from other sources. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over. In either event, the 20% that was withheld can be claimed on your Federal income tax return as a credit toward that year's tax liability.

**Conduit (Rollover) IRAs** - A direct rollover (or rollover within 60 days) of any eligible rollover distribution may generally be treated as a "Conduit IRA", provided that a separate IRA is established for purposes of retaining the ability to later roll these funds back into an employer's plan that accepts the rollover.

**Rollovers from Traditional IRAs into Employer-Sponsored Plans** - Traditional IRAs are permitted to be rolled over into an employer's plan. The employer's plan must accept these types of rollovers. The maximum amount that can be rolled over from a traditional IRA to an employer's plan that accepts these rollovers cannot exceed the amount that would be taxable. Any amount in a traditional IRA that represents the principal amount of a nondeductible IRA contribution or a rollover of after-tax employee contributions to a traditional IRA or any other basis amount may not be rolled over to an employer's plan. The types of IRAs that can be rolled over to an employer's plan that accepts these rollovers include regular traditional IRAs, rollover "conduit" IRAs, SEP IRAs and SIMPLE IRAs (after the two-year waiting period has been satisfied applicable to SIMPLE IRAs). In determining the maximum amount eligible to be rolled over from an IRA to an employer's plan, you must treat all of these types of IRAs as one IRA. Only the taxable amount is eligible to be rolled over. If you are interested in rolling over your traditional IRAs into your employer's plan, you should contact the plan administrator of your employer's plan for additional information.

**Special Rules for Surviving Spouses, Alternate Payees, and Other Beneficiaries** - If you are a surviving Spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to your own traditional IRA, an inherited traditional IRA, your own employer's plan that accepts rollovers, or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to your employer's plan that accepts rollovers. If you are the Spouse or former Spouse alternate payee with respect to a Qualified Domestic Relations Order (QDRO), you may have the payment paid as a direct rollover or paid to you which you may roll over to your own traditional IRA or your own employer's plan that accepts rollovers.

**Special Rules for Nonspouse Beneficiaries** - Beginning in 2007, eligible rollover distributions payable from an employer's plan to a nonspouse beneficiary are eligible for direct rollover into an Inherited IRA. Such amounts must be paid in the form of a direct rollover, rather than a distribution and subsequent rollover. Thus, if the distribution is paid directly by the employer's plan to the nonspouse beneficiary, no rollover is permitted. Also, the IRA receiving the direct rollover must be an Inherited IRA, rather an IRA owned by the nonspouse beneficiary. The Inherited IRA is subject to the same required minimum distributions that apply to beneficiaries under the employer's plan and carries over to the Inherited IRA. The IRA must be established and titled in a manner that identifies it as an IRA with respect to a deceased individual and also identifies the deceased individual and the beneficiary, for example, "Tom Smith as beneficiary of John Smith".

For these purposes, a nonspouse beneficiary includes an individual beneficiary and a trust beneficiary that meets the special "look through" rules under the IRS regulations. A nonindividual beneficiary (such as an estate or charity) or a non-look through trust is not eligible for direct rollover. Any required minimum distributions applicable to the employer's plan for the year in which the direct rollover occurs and any prior year is not eligible for direct rollover.

The following additional rules apply to a rollover from an employer-sponsored plan to a traditional IRA:

- The rollover must be completed no later than the 60th day after the day the distribution was received by you.
- You are required to make an irrevocable election indicating that this transaction will be treated as a rollover contribution.
- You are not required to roll over the entire amount you received from the employer's plan.
- If you are age 70½ or older and wish to roll over your employer's plan to a traditional IRA, you must first satisfy the minimum distribution requirement for that year and then the rollover of the remaining amount may be made.
- If your distribution consists of property (i.e., stocks) you may either roll over the same property (the same stock) or you may sell the distributed property and roll over the proceeds from the sale. This is true whether

the proceeds from the sale are more or less than the fair market value of the property on the date of distribution. You may not keep the property received in the distribution and roll over cash which represents the fair market value of the property.

## H | Distributions

**Taxation of Distributions** - When you start withdrawing from your IRA, you may take the distributions in periodic payments, random withdrawals or in a single sum payment. Generally all amounts distributed to you from your IRA are included in your gross income in the taxable year in which they are received. However, if you have made nondeductible contributions to your IRA, rolled over after-tax employee contributions from your employer's plan or repaid a Qualified Reservist Distribution (collectively referred to as "basis"), the nontaxable portion of any distribution from any of your IRAs (except Roth IRAs), if any, will be a percentage based upon the ratio of your unrecovered "basis" to the aggregate of all IRA balances, including SEP, SIMPLE and rollover contributions, as of the end of the year in which you take the distribution, plus distributions from the account during the year. All taxable distributions from your IRA are taxed at ordinary income tax rates for Federal income tax purposes and are not eligible for any favorable tax treatment. You must file Form 8606 to calculate the portion of any IRA distribution that is not taxable.

**Premature Distributions** - If you are under age 59½ and receive a distribution from your IRA account, a 10% additional income tax will apply to the taxable portion of the distribution unless the distribution is received due to death; disability; a series of substantially equal periodic payments at least annually over your life expectancy or the joint life expectancy of you and your designated beneficiary; certain medical expenses as allowed by the IRS; health insurance premiums paid by certain unemployed individuals; qualified acquisition costs of a first time homebuyer; qualified higher education expenses; a qualifying rollover distribution; the timely withdrawal of the principal amount of an excess or nondeductible contribution; due to an IRS levy; qualified disaster recovery assistance distributions prior to January 1, 2010 or qualified reservist distributions.

If you request a distribution in the form of a series of substantially equal payments, and you modify the payments before 5 years have elapsed and before attaining age 59½, the 10% additional income tax will apply retroactively to the year payments began through the year of such modification.

**Age 70½ Required Minimum Distributions** - You are required to begin receiving minimum distributions from your IRA by your required beginning date (the April 1 of the year following the year you attain age 70½). The year you attain age 70½ is referred to as your "first distribution calendar year". The required minimum for your first distribution calendar year must be withdrawn no later than your required beginning date. The required minimum distribution for your second distribution calendar year and for each subsequent distribution calendar year must be made by December 31 of each such year. Your minimum distribution for each year beginning with the calendar year you attain the age of 70½ is generally based upon the value of your account at the end of the prior year divided by the factor for your age derived from the Uniform Lifetime Distribution Period Table regardless of who or what entity is your named beneficiary. This uniform table assumes you have a designated beneficiary exactly 10 years younger than you. However, if your Spouse is your sole beneficiary and is more than 10 years younger than you, your required minimum distribution for each year is based upon the joint life expectancies of you and your Spouse. The account balance that is used to determine each year's required minimum amount is the fair market value of each IRA you own as of the prior December 31st, adjusted for outstanding rollovers (or transfers) as of such prior December 31st and recharacterizations that relate to a conversion or failed conversion made in the prior year.

However, no payment will be made from this IRA until you provide the Custodian with a proper distribution request acceptable by the Custodian. Upon receipt of such distribution request, you may switch to a joint life expectancy in determining the required minimum distribution if your Spouse was your sole beneficiary as of the January 1st of the relevant distribution calendar year and such Spouse is more than 10 years younger than you.

In any distribution calendar year you may take more than the required minimum. However, if you take less than the required minimum with respect to any distribution calendar year, you are subject to a Federal excise tax penalty of 50% of the difference between the amount required to be distributed and the amount actually distributed. If you are subject to that tax, you are required to file IRS Form 5329.

**Reporting the Required Minimum Distribution** - Beginning for minimum distributions that are required for calendar year 2003, the Custodian must provide a statement to each IRA owner who is subject to required minimum distributions that contains either the amount of the minimum or an offer by the Custodian to perform the calculation if requested by the IRA owner. The statement must inform the IRA owner that required minimum distributions apply and the date by which such amount must be distributed. The statement must further inform the IRA owner that beginning in 2004, the Custodian must report to the IRS that the IRA owner is required to receive a minimum for the calendar year.

**Death Distributions** - If you die before your required beginning date and you have a designated beneficiary, the balance in your IRA must be distributed to your beneficiary over a period not longer than the beneficiary's single life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. However, if your Spouse is your sole beneficiary, these distributions are not required to commence until the December 31st of the calendar year you would have attained the age of 70½, if that date is later than the required commencement date in the previous sentence. If you die before your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed no later than the December 31st of the calendar year that contains the fifth anniversary of your death.

If you die on or after your required beginning date and you have a designated beneficiary, the balance in your IRA will be distributed to your beneficiary over a period not longer than the longer of the beneficiary's single life expectancy or your remaining life expectancy. These distributions must commence no later than December 31st of the calendar year following the calendar year of your death. If you die on or after your required beginning date and you do not have a designated beneficiary, the balance in your IRA must be distributed over a period that does not exceed your remaining single life expectancy determined in the year of your death reduced by one each year thereafter. However, the required minimum distribution for the calendar year that contains the date of your death is still required to be distributed. Such amount is determined as if you were still alive throughout that year. If your Spouse is your sole beneficiary, your Spouse may elect to treat your IRA as his or her own IRA, whether you die before or after your required beginning date. If you die after your required beginning date and your Spouse elects to treat your IRA as his or her own IRA, any required minimum that has not been distributed for the year of your death must still be distributed to your surviving Spouse and then the remaining balance can be treated as your Spouse's own IRA.

#### I | Prohibited Transactions

If you or your beneficiary engage in a prohibited transaction (as defined under Section 4975 of the Code with your IRA, it will lose its tax exemption and you must include the fair market value of your account in your gross income for that taxable year. If you pledge any portion of your IRA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

#### J | Additional Taxes and Penalties

If you are under age 59½ and receive a premature distribution from your IRA, an additional 10% income tax will apply on the taxable amount of the distribution unless an exception applies. If you make an excess contribution to your IRA and it is not corrected on a timely basis, an excise tax of 6% is imposed on the excess amount. This tax will apply each year to any part or all of the excess which remains in your account. If you are age 70½ or over or if you should die, and the appropriate required minimum distributions are not made from your IRA, an additional tax of 50% is imposed upon the difference between what should have been distributed and what was actually distributed.

You may be required to file IRS Form 5329 with the Internal Revenue Service for any year an additional tax is due. You may be required to file IRS Form 8606 for any year you make a nondeductible IRA contribution, rollover after-tax employee contributions from your employer's plan, repay a Qualified Reservist Distribution, convert from your traditional IRA to a Roth IRA or recharacterize a contribution to your traditional IRA.

#### K | Federal Income Tax Withholding

All withdrawals from your IRA (except certain transfers any recharacterizations) are subject to Federal income tax withholding. You may, however, elect not to have withholding apply to your IRA distribution in most cases. If withholding does apply to your distribution, the applicable rate of withholding is 10% of the amount of the distribution. In addition to Federal income tax withholding, distributions from IRAs may also be subject to state income tax withholding.

#### L | Transfers

**Transfers Between "Like" IRAs** - A direct transfer of all or a portion of your funds is permitted from this IRA to another traditional IRA or vice versa. Transfers do not constitute a distribution since you are never in receipt of the funds. The monies are transferred directly to the new trustee or custodian. Transfers are neither subject to the 12 month restrictions nor the 60 day rollover period usually associated with rollovers.

If you should transfer all or a portion of your IRA to your former Spouse's IRA under a divorce decree (or under a written instrument incident to divorce) or separation instrument, you will not be deemed to have made a taxable distribution, but merely a transfer. The portion so transferred will be treated at the time of the transfer as the IRA of your Spouse or former Spouse. If your Spouse is the beneficiary of your IRA, in the event of your death, your Spouse may "assume" your IRA. The assumed IRA is then treated as your surviving Spouse's IRA.

**Qualified Charitable Distributions** - If an IRA owner is exactly age 70½ or over, the IRA owner may direct the IRA trustee or custodian to transfer up to \$100,000 per year from the IRA to a qualified charity. Such transfer will not be subject to Federal income taxes. Qualified Charitable Distributions may also be made by a beneficiary who is exactly age 70½ or over. Qualified Charitable Distributions are not subject to Federal income tax withholding. SEP IRAs or SIMPLE IRAs are not permitted to be transferred under this rule.

The amount transferred will be treated as coming from the taxable portion of the IRA and will be an exception to the pro-rata basis recovery rules applicable to traditional IRAs. The tax-free transfer to a qualified charity applies only if the IRA owner could otherwise receive a charitable deduction with respect to the transferred amount. In other words, it must be made to a qualified charitable organization that the taxpayer would have otherwise been able to take a tax deduction for making the charitable contribution. However, since such transfer will be tax-free, the taxpayer may not also take a charitable deduction on his or her tax return.

Since the eligible individual must be at least exactly age 70½ or over, the taxpayer is also subject to required minimum distributions with respect to his or her traditional IRA. However, any amount transferred to the qualified charity under this rule from a traditional IRA will be treated toward satisfying the individual's required minimum distribution for the year, even though the transferred amount is tax-free.

Although the IRA trustee or custodian must pay the Qualified Charitable Distribution directly to the qualified charity, the taxpayer is responsible for substantiating and reporting the Qualified Charitable Distribution on his or her Federal income tax return. The Trustee or Custodian of the IRA will report the amount transferred on IRS Form 1099-R as if the IRA owner withdrew the money. After the IRA trustee or custodian issues the payment in the name of the charity, the trustee or custodian may deliver the payment to the IRA owner, who then would deliver the payment to the charity.

**Note:** Originally, Qualified Charitable Distributions were effective with respect to distributions transferred directly to a qualified charity during 2006 and 2007. Additional legislation continued to extend the expiration date for subsequent years, until the Protecting Americans from Tax Hikes Act of 2015 extended QCDs permanently.

**Qualified HSA Funding Distribution** - Beginning for contributions made for 2007 and thereafter, a special one-time, tax-free transfer from an IRA to an HSA is permitted. This one-time transfer counts toward the eligible individual's HSA contribution limit for the year of the transfer.

Beginning for annual HSA contributions made for 2007 or thereafter, an HSA-eligible individual may make an irrevocable once-in-a-lifetime, tax-free "qualified HSA Funding distribution" from an IRA to an HSA, subject however to strict requirements. The amount of the HSA funding distribution must be made in the form of a custodian-to-custodian transfer from the IRA to the HSA. The amount of the transfer cannot exceed the maximum HSA contribution limit for the year that the amount is transferred. Consequently, this one-time transfer from an IRA to an HSA counts toward the individual's total HSA contribution limit for the year depending upon the type of coverage under the HDHP (self-only or family).

#### **M | Federal Estate and Gift Taxes**

Generally there is no specific exclusion for IRAs under the Federal estate tax rules. Therefore, in the event of your death, your IRA balance will be includable in your gross estate for Federal estate tax purposes. However, if your surviving Spouse is the beneficiary of your IRA, the amount in your IRA may qualify for the marital deduction available under Section 2056 of the Code. A transfer of property for Federal gift tax purposes does not include an amount which a beneficiary receives from a IRA plan. You should consult your tax advisor with respect to the application of community property laws on estate and gift tax issues relating to your IRA.

#### **N | IRS Approval as to Form**

The Traditional Individual Retirement Custodial Account has been approved by the Internal Revenue Service as to form. Such approval is a determination as to the form of the IRA, and does not represent a determination of the IRA's merits as an investment.

#### **O | Additional Information**

You may obtain further information on IRAs from your District Office of the Internal Revenue Service. In particular you may wish to obtain IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs) and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

#### **P | Financial Disclosure**

Because the value of assets held in your IRA is subject to market fluctuation, the value of your IRA can neither be guaranteed nor projected. There is no assurance of growth in the value of your IRA or guarantee of investment results. You will, however, be provided with periodic statements of your IRA, including current market values of investments.

Certain fees will be charged by the Custodian in connection with your IRA. Such fees are disclosed on the account application. Upon thirty days' prior written notice, the Custodian may substitute a new fee schedule. Any fees or other expenses incurred in connection with your IRA will be deducted from your IRA (with liquidation of Invesco fund shares, if necessary), or at the Custodian's option, such fees or expenses may be billed to you directly. Potential investors should obtain a copy of the current prospectus relating to each Invesco Fund(s) selected for investment prior to making an investment. Also, copies of the statement of additional information relating to such fund(s) will be provided upon your request to IIS.



# Invesco SEP IRA Disclosure Statement

The information provided below explains what a Simplified Employee Pension (SEP) plan is, how contributions are made, and how to treat your employer's contributions for tax purposes. Please read the questions and answer carefully. For more specific information, see the Prototype SEP Plan document and Adoption Agreement executed by your Employer. Also, see IRS Publication 560.

## Questions and Answers

### Q1. What is a Simplified Employee Pension, or SEP?

**A1.** A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement. Contributions are made to a traditional individual retirement account/annuity (IRA).

Your employer will provide you with a copy of the agreement containing participation rules and a description of how employer contributions may be made to your IRA.

All amounts contributed to your IRA by your employer belong to you even after you stop working for that employer.

### Q2. Must my employer contribute to my IRA under the SEP?

**A2.** No. An employer is not required to make SEP contributions. If a contribution is made, it must be allocated to all the eligible employees according to the SEP agreement. The Prototype SEP Plan specifies that the contribution for each eligible employee will be the same percentage of compensation (excluding compensation higher than a specified dollar limit that is subject to cost-of-living adjustments) for all employees. The compensation limit is:

2010	\$245,000	2014	\$260,000
2011	\$245,000	2015	\$265,000
2012	\$250,000	2016	\$265,000
2013	\$255,000	2017	\$270,000

### Q3. How much may my employer contribute to my SEP IRA in any year?

**A3.** Your employer will determine the amount to be contributed to your traditional IRA each year. However, the amount for any year is limited to the smaller of \$54,000 or 25% of your compensation for that year. The \$54,000 maximum SEP contribution limit is subject to cost-of-living adjustments. Compensation does not include any amount that is contributed by your employer to your traditional IRA under the SEP. Your employer is not required to make contributions every year or to maintain a particular level of contributions. See Question 5. The SEP contribution limit is:

2010	\$49,000	2014	\$52,000
2011	\$49,000	2015	\$53,000
2012	\$50,000	2016	\$53,000
2013	\$51,000	2017	\$54,000

### Q4. How do I treat my employer's SEP contributions for my taxes?

**A4.** Employer contributions to your SEP IRA are excluded from your income unless there are contributions in excess of the applicable limit. See Question 3. Employer contributions within these limits will not be included on your Form W-2.

### Q5. May I also contribute to my IRA if I am a participant in a SEP?

**A5.** Yes. You may contribute the smaller of the annual regular IRA contribution limit or 100% of your compensation to an IRA. However, the amount you can deduct may be reduced or eliminated because, as a participant in a SEP, you are covered by an employer retirement plan. See Question 11.

### Q6. Are there any restrictions on the IRA I select to have my SEP contributions deposited?

**A6.** Contributions must be made to either a Model traditional IRA executed on an IRS form or a master or prototype traditional IRA for which the IRS has issued a favorable opinion letter.

### Q7. What if I do not want to participate in a SEP?

**A7.** If your employer does not require you to participate in a SEP as a condition of employment, and you elect not to participate, all other employees of your employer may be prohibited from participating. If one or more eligible employees do not participate and the employer fails to establish a SEP IRA for the remaining eligible employees, it could cause adverse tax consequences for the participating employees.

### Q8. Can I move funds from my SEP IRA to another traditional IRA?

**A8.** Yes. You can withdraw or receive funds from your SEP IRA if within 60 days of receipt, you place those funds in the same or another traditional IRA or SEP IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

### Q9. Can I move my funds from my SEP IRA to another employer plan?

**A9.** Yes. Beginning with distributions received in 2002, you may also roll over to a qualified plan (under section 401(a)), a qualified annuity, a 403(b) tax-sheltered annuity or custodial agreement, or an eligible 457(b) plan of a state or local government.

### Q10. Are there any restrictions to rollovers from my IRA?

**A10.** Yes. You may not roll over to an employer plan (See Question 9) any basis in your IRA. Basis includes nondeductible IRA contributions, after-tax monies that were rolled into the IRA from an employer plan, or repayments of qualified reservist distributions.

### Q11. What happens if I withdraw my employer's contribution from my IRA?

**A11.** You may withdraw your employer's contribution at any time, but any amount withdrawn is includible in your income unless rolled over. Also, if withdrawals occur before you reach age 59½, you may be subject to an additional tax on early withdrawal.

### Q12. Are there any restrictions in withdrawing the funds in my SEP IRA?

**A12.** You may withdraw the funds in your IRA at any time. Please see the Invesco Traditional IRA Disclosure Statement for more information. An IRA with another institution may have different terms concerning transfers, withdrawals, rates of return, etc. It is possible that the terms offered at another institution may be more advantageous.

### Q13. May I participate in a SEP even though I am covered by another plan?

**A13.** An employer may adopt this Prototype SEP in conjunction with any qualified plan, including a defined benefit plan. Also, if your employer maintained in the past a defined benefit plan, which is now terminated the employer may adopt this Prototype SEP.

### Q14. What happens if too much is contributed to my SEP IRA in one year?

**A14.** Contributions exceeding the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15), but are includible in your gross income. Excess contributions left in your SEP IRA account after that time may have adverse tax consequences. Withdrawals of those contributions may be taxed as premature withdrawals.

### Q15. Is my employer required to provide me with information about SEP IRAs and the SEP agreement?

**A15.** Yes. Your employer must provide you with a copy of the executed SEP Plan agreement with Adoption Agreement and a yearly statement showing any SEP contributions to your traditional IRA.

### Q16. Is the financial institution where my traditional IRA is established required to provide me with information?

**A16.** Yes. It must provide you with a disclosure statement. Please see the Invesco Traditional IRA Disclosure Statement for more information regarding your traditional IRA.