GCU
DISCLOSURE STATEMENT FOR INDIVIDUAL RETIREMENT ANNUITY (IRA)
UNDER SECTION 408(b) OF INTERNAL REVENUE CODE

1. **GENERAL.**

(a) This Disclosure Statement explains what you should know about your IRA and is a general review of the federal income tax laws applicable to it. IRAs are intended to help individuals in preparation for their retirement. Therefore, they may not be used like an ordinary savings account and are subject to many restrictions imposed by the Internal Revenue Code. Consequently, please read the following information carefully.

(b) References: This disclosure statement refers to the Annuitant (for whom an individual retirement annuity is established) as "you, your, yours, or yourself."

(c) Contract: The word contract refers to an annuity contract or certificate.

2. **RIGHT TO REVOKE**.

YOU ARE ENTITLED TO REVOKE THE CONTRACT WITHIN TEN DAYS OF THE DATE OF ITS PURCHASE IF FOR ANY REASON, YOU ARE NOT SATISFIED WITH IT. UPON REVOCATION, YOU ARE ENTITLED TO A RETURN OF THE ENTIRE AMOUNT OF THE CONSIDERATION PAID BY YOU FOR THE CONTRACT. THE NOTICE OF REVOCATION SHALL BE IN WRITING AND MAY BE MAILED OR DELIVERED TO THE PERSON WHOSE NAME, ADDRESS, AND TELEPHONE NUMBER ARE GIVEN BELOW. IF THE NOTICE IS MAILED, IT SHALL BE DEEMED MAILED ON THE DATE OF POSTMARK (OR IF SENT BY CERTIFIED OR REGISTERED MAIL, THE DATE OF CERTIFICATION OR REGISTRATION) IF IT IS DEPOSITED IN THE MAIL IN THE UNITED STATES IN AN ENVELOPE OR OTHER APPROPRIATE WRAPPER, FIRST CLASS POSTAGE PREPAID, PROPERLY ADDRESSED.

Policyholder Services
GCU
5400 Tuscarawas Rd.
Beaver, PA 15009-9513
(724) 495-3400

3. **TYPES OF IRAs.**

Regular IRA. The most that you can contribute to your traditional IRA in a year is the smaller of the following amounts.

- Your compensation that you must include for the year in your tax return; or
- The dollar limit for the year ($3,000 for years 2002-2004, $4,000 for years 2005-2007, and $5,000 for year 2008 and *2009*.

Catch-up Contributions. If you are 50 or older by the close of the respective tax years, you may make additional catch-up contributions to your IRA. The maximum additional contribution is $500 for years 2002-2005 and $1,000 for years 2006-*2009*.

After 2009 the maximum IRA annual contribution limit will be indexed for cost of living adjustment in $500 intervals.

Certain Employer Bankruptcies Allow Special Catch Up Contributions. *If you were an employee of a company that was bankrupted as a result of an indictment or conviction and you were a participant of the company's 401(k) Plan for at least six months prior to the company's filing of bankruptcy and the company matched at least 50% of your salary deferral, you may be qualified to contribute an additional catch up contribution of up to $3,000 each year in 2006 through 2009. If you are qualified to make this special catch up contribution, and if you make a special catch up contribution, you can no longer make the regular catch up contribution in the same year.*

Spousal IRA. If you and your spouse file a joint federal income tax return, you may make a Spousal IRA contribution, even if your spouse has not received compensation during the tax year. The combined annual contributions to all your and your spouse's IRAs, including Roth IRAs, is the lesser of 100% of your combined compensation or $6,000 for years 2002-2004, $8,000 for years 2005-2007, and $10,000 for year 2008 and thereafter with the possibility of cost-of-living increase. If your spouse is 50 or over, you may make additional catch-up contributions to your spouse's IRA up to $500 for years 2002-2005, up to $1,000 for year 2006 and after. However, your contribution to each IRA is not allowed to exceed the individual contribution limit.

Rollover IRA. You may make a rollover IRA contribution by rolling over all or a portion of your distribution from a qualified retirement plan. The distribution must be rolled over within sixty days of receipt from the qualified retirement plan. The amount of your rollover IRA contribution will not be included in your taxable income for the year in which you receive the qualified plan distribution.

Your regular, spousal, and/or Rollover IRA is an annuity contract issued by a life insurance company in your name for your exclusive benefit or that of your beneficiaries. Your interest in the contract is nonforfeitable.

4. **CONTRIBUTIONS.**

Your contributions (including rollover contributions) must be made in "cash".

Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal service actually rendered and includes the earned income of a self-employed individual, and any alimony or separate maintenance payment includible in the individual's gross income.

Modified Adjusted Gross Income (MAGI). The Modified Adjusted Gross Income (MAGI) is your adjusted gross income determined on your income tax return without regard to any deductible IRA contribution.

Time of Contribution. You may make contributions to your IRA any time up to and including the due date for filing your tax return for the year, not including extensions. For most people this will be April 15 of each year. You may continue to make annual contributions to your IRA up to (but not including) the calendar year in which you reach age 70-1/2. You may continue to make annual contributions to your spouse's IRA up to (but not including) the calendar year in which your spouse reaches age 70-1/2.

Rollover Contributions. Qualifying distributions from tax-qualified plans (for example, pension, profit-sharing, and Keogh plans) may be eligible for rollover into your IRA. However, strict limitations apply to such rollovers and you should seek competent tax advice regarding these restrictions.

Simplified Employee Pension (SEP) Plan Contributions. Your IRA may be used as part of a SEP established by your employer. Your employer may contribute to your SEP/IRA up to a maximum of 25% of your compensation or *$49,000* in 2009*, whichever is less. If your IRA is used as part of a grandfathered salary reduction SEP, you may elect to reduce your compensation, up to a maximum of 25% of your compensation up to *$15,500 in 2008 and $16,500* in 2009*. If you are eligible and are 50 or older before the end of the calendar year, an additional amount of compensation (catch-up elective deferral contributions) may be deferred during the year. The limit on catch-up elective deferral contributions is *$5,000 for 2008 and $5,500* for 2009*. If your employer maintains both a salary reduction SEP and a regular SEP, the contribution limit to both SEPs together is 25% of your compensation or $49,000*, whichever is less. You may contribute, in addition to the amount contributed by your employer to your SEP/IRA, an amount not in excess of the limits referred to under Types of IRAs above. It is your and your employer's responsibility to see that contributions in excess of normal IRA limits are made under a valid SEP and are, therefore, proper. Your employer should provide you with information which describes the SEP plan. Unless a salary reduction arrangement was established before 1997, it should not be established or made available after 1996.

**subject to cost of living adjustment after 2009*.

Excess Contributions. Contributions which exceed the allowable maximum are treated as excess contributions. A nondeductible penalty tax of 6% of the excess amount contributed will be added to your income for each year in which the excess contribution remains in your contract. If you make a contribution (or your employer makes a SEP contribution, including a salary reduction contribution, on your behalf) in excess of your allowable maximum for any taxable year, you may correct the excess contribution and avoid the 6% penalty tax for that year by withdrawing the excess contribution and its earnings on or before the due date, including extensions, for filing your tax return for that year.

The amount of the excess contribution withdrawn will not be considered a premature distribution nor (except in the case of a salary reduction contribution) be taxed as ordinary income, but the earnings withdrawn will be taxed as ordinary income to you. Alternatively, excess contributions for one year may be carried forward and reported in the next year to the extent that the excess, when aggregated with your IRA contribution (if any) for the subsequent year, does not exceed the maximum amount for that year. The 6% excise tax will be imposed on excess contributions in each year they are neither returned nor carried forward.

5. **DEDUCTIBLE IRA CONTRIBUTIONS.**

If you are not married and are not an active participant in an employer-maintained retirement plan, you may make a fully deductible IRA contribution up to the dollar limit including catch-up contributions, if any, but not to exceed your compensation. The same applies if you are married and you file a joint return with your spouse, and neither of you is an active participant in an employer-maintained retirement plan. An "employer-maintained retirement plan" includes any of the following types of retirement plans:

- a qualified pension, profit-sharing, or stock bonus plan established in accordance with IRC Sec. 401(a) or 401(k).
- a Simplified Employee Pension Plan (SEP) (IRC Sec. 408(k)), Simple IRA, a Simple 401(k) plan.
- a plan maintained by a governmental unit or agency other than certain unfunded deferred compensation plan under IRC Section 457.

- tax sheltered annuities and custodial accounts (IRC Sec. 403(b) and 403(b)(7).
- a qualified annuity plan under IRC Sec. 403(a).
- a qualified plan for self-employed person such as HR-10 or Keogh plan.

You are an active participant in an employer-maintained retirement plan even if you do not have a vested right to any benefits under your employer's plan. Whether you are an "active participant" depends on the type of plan maintained by your employer. Generally, you are considered an active participant in a defined contribution plan if an employer contribution or forfeiture was credited to your account under the plan during the year. You are considered an active participant in a defined benefit plan if you are eligible to participate in the plan, even though you elect not to participate. You are also treated as an active participant for a year during which you make a voluntary or mandatory contribution to any type of plan, even though your employer makes no contribution to the plan.

If you (or your spouse, if you are filing a joint tax return) are covered by an employer-maintained retirement plan, your IRA contribution is tax deductible only to the extent that your MAGI does not exceed the deductibility limits discussed below.

6. **LIMITS ON DEDUCTIBLE CONTRIBUTIONS.**

The annual amount of IRA contributions that is deductible for income tax purpose depends on your MAGI, your filing status, whether you and your spouse are active participants in a qualified retirement plan, and the Phase-out Limits for the year.

Active Participant. If you during a year have accrued benefits in a defined benefit plan or as a participant in a defined contribution plan, have received employer contributions or allocation from forfeitures, or have made a deductible salary deferral then most likely, you are an active participant. If the only allocation received during the year is from earnings of the retirement plan, then you are not considered an active participant. To find out if you are an active participant, check with your employer, your tax advisor, or the IRS Form W-2 – Wage and Tax Statement for the tax year ended and for which you want to make an IRA contribution.

If you are single or you are married but neither you or your spouse is an active participant, then you or your spouse, if any, can make the entire IRA contribution deductible including catch-up contributions subject to dollar and compensation limitations

In 2008, if you are married to someone who is an active participant but you are not and your tax filing status is married filing jointly, then your Phase-out range is between $159,000 and $169,000*, for 2009 your Phase-out range is between $166,000 to $176,000*.*

If you are an active participant and are married but filing separately, then your Phase-out range is between $0 - $10,000.
If you are a married active participant filing jointly or you are a single active participant, you can find the Phase-out range that you should use from the following table:

Phase Out Table.

Tax Year	Joint Filers Phase-out Range	Single Taxpayers Phase-out Range
	(minimum)(maximum)	*(minimum)(maximum*
2003	$60,000 - $70,000	$40,000 - $50,000
2004	$65,000 - $75,000	$45,000 - $55,000
2005	$70,000 - $80,000	$50,000 - $60,000
2006	$75,000 - $85,000	$50,000 - $60,000
2007	$83,000 - $103,000	$52,000 - $62,000
2008	*$85,000 - $105,000*	*$53,000 - $63,000*
2009	*$89,000 - $109,000**	*$55,000 - $65,000**

**Ranges after 2009 are subject to cost of living adjustment.*

Please check IRS Publication 590.

If you are an active participant and your MAGI is below the minimum of the of the Phase-out range, then you can make a contribution fully deductible up to the dollar limit for the year including catch-up contributions if you are 50 or older but not to exceed your compensation. If you are an active participant and your MAGI is greater than the maximum of the Phase-out range, then no contribution is deductible. If you are an active participant and your MAGI is within the Phase-out range, then your deductible IRA contribution is a prorata of the limit for the year including catch-up contributions, if any.

Example 1: In year 2003, you are an active participant, single, and age 40. Your MAGI is $45,000. Check the Table in year 2003 under Single Taxpayer column. The range is $50,000 - $40,000 = $10,000. Your MAGI is $5,000 from the maximum i.e. $50,000 - $45,000 = $5,000. Therefore, the percentage of the dollar limit that is tax deductible is 50%, i.e. $5,000/$10,000 x $3,000 = $1,500 for 2003.

Example 2. In year 2006, you're a married person filing jointly. Your age is 50 in 2006 with MAGI equal to $83,000. The 20% of the dollar limit is deductible, i.e. ($85,000 - $83,000) / ($85,000 - $75,000) = $2,000/$10,000 = 20%. In 2006, the maximum dollar limit for an individual is $4,000 + $1,000 catch-up contribution and is equal to $5,000.

Therefore, the maximum deductible IRA contribution for you is 20% x $5,000 = $1,000 in 2006.

If the resulting number is not a multiple of $10, you must round it to the next highest $10. If the resulting deduction is less than $200 but greater than zero, you may round up to $200.

Marital status. You are considered married or single based on your filing status on the last day of the tax year. If you were married to two different spouses during the same year, you are considered married for the year for this purpose to the spouse to whom you were married at the end of the year.

Death of spouse. If your spouse died during the year, and you file a joint return as the surviving spouse, you are entitled to a full, a partial, or no deduction in the same way as if your spouse were still alive.

7. NONDEDUCTIBLE IRA CONTRIBUTIONS.

You may make a nondeductible contribution to an IRA. The annual combined deductible and nondeductible IRA contributions cannot exceed the compensation or dollar limit for the year.

If you make nondeductible contributions for a particular tax year, you must report the amount of the nondeductible contribution along with your income tax return using IRS Form 8606. Failure to file IRS Form 8606 will result in a $50 per failure penalty.

You are required to designate on your tax return the extent to which your IRA contribution is nondeductible. Therefore, your designation must be made by the due date (including extensions) for filing your tax return. If you overstate the amount of nondeductible contributions for a taxable year, a penalty of $100 will be assessed for each overstatement unless you can show that the overstatement was due to a reasonable cause.

Reporting nondeductible contributions. You do not have to designate a contribution as deductible or nondeductible until you file your tax return. You must use Form 8606, *Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions*, for designating contributions as nondeductible. You must file Form 8606 to designate nondeductible contributions even if you do not have to file a tax return for the year. If you do not report nondeductible contributions to an IRA, all your IRA contributions will be treated as deductible. The full amount of withdrawals from the IRA will be taxed unless you can show, with satisfactory evidence, that nondeductible contributions were made.

In addition, you can designate otherwise deductible contributions as nondeductible, if you choose.

Tax Credit for Contributions. You may be eligible for up to $1,000 nonrefundable tax credit for retirement savings contributions into qualified retirement plans such as Traditional IRAs, Roth IRAs, salary or deferral (elective contributions) plans such as 401(k), SEP, SIMPLE plan, IRC 403(b) tax-sheltered annuity plan, IRC 457 plan, and voluntary employee contributions. The above contributions for an applicable tax year is reduced by the distributions that you have received from any one of the above mentioned qualified plans during the Testing Period which begins two years before the tax year that you are seeking tax credit and ends on the tax due date including extension. Plan loans deemed as distributions, IRA to Roth IRA conversions, etc. are not considered distributions for reduction here. After above adjustments, up to a maximum of $2,000, may be used to multiply the applicable percentage to derive the nonrefundable tax credit. The applicable percentage depends on your adjusted gross income and filing status as shown in the table below:

Adjusted Gross Income*			
Joint Return	Head of a Household	All other Cases	Applicable Percentage
$1 – 30,000	$1 – 22,500	$1 – 15,000	50
30,001 – 32,500	22,501 – 24,375	15,001 – 16,250	20
32,501 - 50,000	24,376 – 37,500	16,251 – 25,000	10
Over $50,000	Over $37,500	Over $25,000	0

* Adjusted gross income includes foreign earned income and income from Guam, America Samoa, North Mariana Islands, and Puerto Rico.

* *The above Adjusted gross income limits are subject to cost of living adjustments for tax years beginning after 2006.*

This tax credit is available for taxable years beginning in 2002 through the taxable year beginning in 2006. You are eligible if you have attained age 18 by the end of the taxable year and are not a full time student or claimed as a dependent on another taxpayer's federal income tax return for the year.

8. DIVORCED INDIVIDUALS.

If you are divorced or legally separated before the end of the year, you cannot deduct any contributions you make to your spouse's IRA. After a divorce or legal separation, you can deduct only the contributions you make to your own IRA. Your IRA is subject to the general rules for IRAs. For example, you can deduct contributions made to it, roll over part or all of it, tax free, into another IRA, or roll over all or part of a qualifying lump-sum distribution from a pension plan into your IRA, tax free.

IRA transferred as a result of divorce. If an IRA is transferred from your spouse or former spouse to you by a divorce decree or a written document related to divorce, starting from the date of the transfer, the IRA is treated as your IRA.

9. DISTRIBUTIONS.

Distribution Before Death.

Required Beginning Date. The entire interest (value of the Contract) of the individual for whose benefit the Contract is maintained (Owner) will be distributed or commence to be distributed, no later than the first day of April following the calendar year in which such individual attains age 70-1/2 (Required Beginning Date).

Distribution in the Form of an Annuity Option, Limits on Distribution Periods. As of the first distribution calendar year, distributions, if not made in a single-sum, may only be made over one of the following periods (or a combination thereof):

(a) the life of the owner;

(b) the life of the owner and a designated Beneficiary;

(c) a period certain not extending beyond the life expectancy of the owner; or

(d) a period certain not extending beyond the joint and last survivor expectancy of the owner and a designated Beneficiary.

Payments must be made in periodic payments at intervals of no longer than 1 year and must be either nonincreasing or they may increase only as provided in Q&As-1 and 4 of Section 1.401(a)(9)-6T of the Temporary Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of Section 1.401(a)(9)-6T.

Limit to Distribution Periods. The distribution periods described in the previous paragraphs above cannot exceed the life or joint and survivor life expectancy periods specified in Section 1.401(a)(9)-6T of the Temporary Income Tax Regulations.

The First and Second Required Payments. The first required payment can be made as late as April 1 of the year following the year the individual attains age 70 1/2 and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval which is the end of the calendar year following the year the individual attains age 70 1/2.

Life Expectancy and Distribution Period. Life expectancy tables referred to in this section for annuities certain distributions or for required minimum distributions to be determined on an annual basis are contained in Income Tax Regulation 1.401(a)(9)-9 Q and A1, A2, and A3. In general, lifetime distributions with or without a designated beneficiary or with a spouse as designated beneficiary who is not more than 10 years younger, the Distribution Periods of Uniform Lifetime Table should be used as divisor. When the designated beneficiary is a spouse that is more than 10 years younger, the joint and last survivor life expectancy of two individuals from the Joint and Last Survivor Table is used. When single life expectancy is required in a death benefit situation, the Single Life Table is used.

Distribution Upon Death.

Death on or After Required Distributions. If you die on or after distribution of your interest has begun in the form of an annuity option, the remaining portion of such interest will continue to be distributed under the contract option chosen.

If your distribution is not in the form of an annuity with life contingency or annuity certain, the applicable distribution period (life expectancy) used to calculate your required minimum distribution is determined as follows:

(i) You have a designated beneficiary as of September 30 following the year of your death, then the distribution period is the longer of (a) or (b) below:

   (a) Your single remaining life expectancy determined in the year of your death.

   (b) If your designated beneficiary is not your surviving spouse only, his or her single life expectancy is determined in the year following the year in which you die and is reduced by one in each subsequent year.

   If your surviving sole designated beneficiary is your spouse, his or her life expectancy is recalculated in each subsequent year. After your surviving spouse's death, his or her life expectancy in the year of his or her death is reduced by one in each subsequent year.

(ii) No designated beneficiary. Use your life expectancy in the year of your death and reduce by one in each subsequent year.

Death Before Required Distributions Commence. If you die before required distributions commence, your entire interest will be distributed at least as rapidly as follows:

(a) If the designated beneficiary is someone other than your surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of your death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of your death, or, if elected, in accordance with (c) below.

(b) If your sole designated beneficiary is your surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of your death (or by the end of the calendar year in which you would have attained age 70 1/2, if later), over your spouse's life, or, if elected, in accordance with paragraph (c) below. If your surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of you spouse's death, over your spouse's designated beneficiary's remaining life expectancy determined using your spouse's beneficiary's age as of his or her birthday in the year following the death of your spouse, or if elected, will be distributed in accordance with paragraph (c) below. If your surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.

(c) If there is no designated beneficiary, or if not applicable by operation of paragraph (a) or (b) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of your death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b) above).

(d) Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (a) or (b) and reduced by 1 for each subsequent year.

The "interest" in the IRA. The "interest" in the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and –8 of Section 1.408-8 of the Income Tax Regulations and actuarial value of any other benefits provided under the IRA, such as guaranteed death benefits.

Distributions Deemed to have Begun. For purposes of the paragraphs above relating to death benefits, required distributions are considered to commence on the individual's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under paragraph (b) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of Section 1.401(a)(9)-6T of the Temporary Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

Designated Beneficiary is Your Surviving Spouse. If the sole designated beneficiary is your surviving spouse, your spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if your surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.

Minimum Amount to be Distributed Each Year.

If the value of your IRA is not to be distributed as an irrevocable annuity with life contingency or as an annuity with years certain, the required minimum distribution needs to be determined and distributed each year as long as you live, and to commence no later than the first day of April following the calendar year in which you attain age 70 1/2 (the "required beginning date") over your life or over the life of the joint and survivor of you and your designated beneficiary.

The amount to be distributed each year, beginning with the calendar year in which you attain age 70 1/2 and continuing through the year of death, shall not be less than the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the distribution period in the Uniform Lifetime Table using your age as of your birthday in the year. However, if your sole designated beneficiary is your surviving spouse and such spouse is more than 10 years younger than you, then the distribution period is determined under the Joint and Last Survivor Table using the ages as of your and your spouse's birthdays in the year.

The required minimum distribution for the year you attain age 70 1/2 can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.

Premature Distributions. To the extent they are included in income, distributions from your IRA made before you reach age 59-1/2 will be subject to a 10% nondeductible penalty tax (in addition to being taxable as ordinary income) unless the distribution is an exempt withdrawal of an excess contribution, or the distribution is rolled over to another qualified retirement plan, or the distribution is made on account of your death or disability, or the distribution is one of a scheduled series of payments over your life or life expectancy or the joint life expectancies of yourself and your beneficiary, or medical expenses which exceed 7.5% of your adjusted gross income, or health insurance payments if you are separated from employment and have received unemployment income form a state or federal government for over 12 weeks or certain qualified education expenses, or a levy issued by the IRS or for first time home purchase up to a lifetime maximum of $10,000.

Minimum Distributions. Once distributions are required to begin, they must not be less than the amount each year (determined by actuarial tables) which would exhaust the value of the contract over the required distribution period. You will be subject to a **50% excise tax** on the amount by which the distribution you actually received in any year falls short of the minimum distribution required for the year.

Distribution of Nondeductible Contributions. To the extent that a distribution constitutes a return of your nondeductible contributions, it will not be included in your income. The amount of any distribution excludable from income is the portion that bears the same ratio to the total distribution that your aggregate nondeductible contributions bear to the balance at the end of the year (calculated after adding back distributions during the year) of your IRA. For this purpose, all of your IRAs are treated as a single IRA. Furthermore, all distributions from an IRA during a taxable year are to be treated as one distribution. The aggregate amount of distributions excludable from income for all years is not to exceed the aggregate nondeductible contributions for all calendar years. There is a 10% additional income tax assessed against premature distributions to the extent such distributions are includible in income (See Premature Distributions above).

Special Waiver of Required Minimum Distributions for 2009. *For 2009, the Required Minimum Distributions otherwise due are waived even if you are over age 70 1/2. Required Minimum Distributions according to beneficiary's life expectancy that were normally required are also waived for 2009. For the situation that upon the death of an IRA owner, the entire interest must be distributed by the end of the calendar year of the fifth anniversary of death, the "five year" period will disregard year 2009. For example, if an IRA owner died in 2007, the total interest must be distributed by the end of year 2013 instead of 2012.*

Qualified Charitable Distribution (QCD). *If you are at least age 70 1/2, you may make contributions up to $100,000 per year directly from your IRA to tax deductible charitable organizations. If you are married filing joint return, your spouse can also have QCD up to $100,000. This QCD may be excludible from your gross income if you have proper records and receipts. This provision applies to 2008 and 2009 only, unless extended by U.S. Congress. For more information, please refer to IRS Publication 590.*

10. **PROHIBITED TRANSACTIONS.**

If any of the events prohibited by Section 4975 of the Code (such as any sale, exchange or leasing of any property between you and your IRA, or taking a loan from your IRA) occurs during the existence of your IRA, your contract will be disqualified and the entire balance in your contract will be treated as if distributed to you as of the first day of the year in which the prohibited event occurs. This "distribution" would be subject to ordinary income tax and, if you were under age 59-1/2 at the time, to the 10% penalty tax on premature distributions.

If you or your beneficiary use (pledge) all or any part of your IRA as security for a loan, then the portion so pledged will be treated as if distributed to you, and will be taxable to you as ordinary income and may be subject to the 10% penalty during the year in which you make such a pledge.

Investment in collectibles. If your IRA (or your individually directed account under your employer's plan) invests in collectibles, the amount invested after 1981 is considered distributed to you in the year invested. This means that the tax advantages of IRAs have been effectively eliminated for this kind of investment. You may also have to pay the 10% tax on premature distributions.

Collectibles include art works, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages, and certain other tangible personal property.

Exception. Beginning in 1987, your IRA may invest only in one, one-half, one-quarter, or one-tenth ounce U.S. gold coins, or one-ounce silver coins minted by the Treasury Department beginning October 1, 1986.

11. **OTHER TAX CONSIDERATIONS.**

No Special Tax Treatment. No distribution to you or anyone else from your contract can qualify for capital gain treatment under the federal income tax laws. It is taxed to the person receiving the distribution as ordinary income. (Similarly, you are not entitled to the five-year or ten-year averaging rule for lump sum distributions available to persons receiving distributions from certain other types of retirement plans.)

Gift Tax. If you elect during your lifetime to have all or any part of your contract payable to a beneficiary at or after your death, the election will not subject you to any gift tax liability.

Tax Withholding. Federal income tax will be withheld from distributions you receive from your contract unless you elect not to have tax withheld. If your withdrawal is subject to withholding, a minimum 10% of the amount withdrawn must be withhold.

Reporting for Tax Purposes. Contributions to your IRA must be reported on your tax Form 1040 or 1040A for the taxable year contributed. You will be required to designate your IRA contribution as deductible or nondeductible. You are also required to attach a Form 8606 to your 1040 or 1040A form. Form 8606 is used to report nondeductible IRA contributions and to calculate the basis (nontaxable part) of your IRA. Other reporting will be required by you in the event that special taxes or penalties described herein are due. You must also file Treasury Form 5329 with the IRS for each taxable year in which the contribution limits are exceeded, a premature distribution takes place, or less than the required minimum amount is distributed from your IRA. The Tax Reform Act of 1986 also requires you to report the amount of all distributions you received from your IRA.

12. **ROLLOVERS AND CONVERSIONS.**

A rollover is a tax-free distribution of cash or other assets from one retirement program to another. Rollovers can happen among Traditional IRAs, from a qualified plan to a Traditional IRA, from a Traditional IRA to a qualified plan if the qualified plan permits such rollover. A Traditional IRA may be converted into a Roth IRA provided that the tax laws are followed. A rollover is an allowable contribution you cannot deduct from your tax return.

Transfer from one trustee to another. A transfer of funds in your IRA from one trustee directly to another, either at your request or at the trustee's request, is **not** a rollover. It is a transfer that is not affected by the one-year waiting period that is required between rollovers, discussed later. Do not include this amount in your gross income.

Time for making a rollover. You must make the rollover contribution by the 60th day after the day you receive the distribution from your IRA or your employer's plan.

Rollovers completed after the 60-day period. Amounts not rolled over within the 60-day period do not qualify for tax-free rollover treatment and must be treated as a taxable distribution from either your IRA or your employer's plan. You may also have to pay a 10% tax on premature distributions. Treat a contribution after the 60-day period as a regular contribution to your IRA. Any part of the contribution that is more than the maximum amount you can deduct as a contribution for that year is an excess contribution.

Rollover From One Traditional IRA Into Another Traditional IRA.
You may withdraw, tax free, part or all of the assets from one IRA and reinvest them within 60 days in another IRA. You do not include in your gross income the amount that you withdraw from one IRA and roll over into another. You do not deduct the amount that you reinvest in the new IRA.

Waiting period between rollover distributions. A rollover distribution from an IRA may be made to you only once a year. The one-year period begins on the date you receive the IRA distribution, not on the date you roll it over (reinvest it) into another IRA. This rule applies to Simple IRA also.

This rule applies to each separate IRA you own. For example, if you have two IRAs, IRA-1 and IRA-2, and you roll over assets of IRA-1 into a new IRA-3, you may also make a tax-free rollover from IRA-2 into IRA-3, or into any other IRA within one year after the rollover distribution from IRA-1, because you have not received more than one tax-free distribution from either IRA within one year.

If you receive a distribution from IRA-1 and IRA-2 and have rolled over some or all of the distribution into IRA-3 and, during the 12 month period since, if you receive any other distribution from IRA-1 or IRA-2 or IRA-3, it will not qualify for tax-free rollover treatment. The amount you receive will be includible in your income and may be subject to the 10% tax on premature distributions.

Employer-Maintained Qualified Retirement Plan to Traditional IRA Rollovers.

An eligible distribution from a qualified retirement plan, 403(a) annuity plan, 403(b) tax-sheltered plan, and 457 government sponsored deferred compensation plan is eligible to rollover into a Traditional IRA. Unless a distribution is directly rolled over into an IRA or into another qualified plan, it is subject to 20% tax withholding.

Traditional IRA to Employer-Maintained Qualified Retirement Plan Rollovers.

An eligible distribution from a Traditional IRA may be rolled over into a qualified retirement plan including 403(b) tax-sheltered plan and 457 government sponsored deferred compensation plan if the employer-maintained plan allows rollover contributions.

SIMPLE IRA to Traditional IRA Rollovers.

No rollover of funds attributable to contributions made by a particular employer under a SIMPLE IRA Plan will be accepted from a SIMPLE IRA, that is an IRA used in conjunction with a SIMPLE IRA Plan, prior to expiration of the 2 year period beginning on the date the individual first participated in that employer's SIMPLE IRA Plan.

Conversion of a Traditional IRA into a Roth IRA: If your Modified Adjusted Gross Income is equal to or less than $100,000 and you are not married or you are married but not filing income tax separately, you may convert your IRA(s) into Roth IRA(s). You need to subtract out the minimum required distribution first before the conversion if you are 70 1/2 or older in the year of conversion. You will include the amount of conversion as your gross income from IRA distribution. However, 10% penalty on premature distribution is waived even if you are younger than 59 1/2 when you do the conversion.

***Roth Conversion Limit**. For tax years beginning after December 31, 2009, the $100,000 MAGI limit and filing status requirement to convert to a Roth IRA is eliminated. For conversions in 2010, taxable amounts attributable to a conversion will be included in income ratably in 2011 and 2012 unless the taxpayer elects to recognize it all in 2010.*

Recharacterizations. If you make a contribution to a Traditional IRA and wish that you had made a contribution to a Roth IRA instead or the other way around, or you have converted a Traditional IRA into a Roth IRA, in part or in whole, but later wish you had not done the conversion, you may recharacterize the transactions. The recharacterization must be completed before your tax filing deadline including extension. You must take into consideration the net earning (loss) when doing recharacterization. You must file a Form 8606 as part of your annual federal income tax return for the year of that recharacterization is considered occurred. Please consult your tax advisor on this matter.

***Inherited/Beneficiary Rollover IRA.** Beginning in 2007, if you are an eligible non-spouse beneficiary who inherited a distribution from a qualified retirement plan, you may directly rollover the inherited assets into an inherited IRA subject to the rules applying to an inherited account and subject to the beneficiary distribution requirements.*

***Health Savings Account Transfer.** Beginning in 2007 you will be allowed a one-time, tax-free transfer from an IRA to use toward your annual Health Savings Account contribution. Eligible individuals may make an irrevocable one-time, tax-free "qualified Health Savings Account funding distribution" from an IRA and move it directly into a Health Savings Account, subject to strict requirements. The Health Savings Account funding distribution must be directly transferred from the IRA custodian or trustee to the Health Savings Account custodian or trustee. The amount of the transfer cannot exceed the maximum Health Savings Account contribution limit for the year that the amount is transferred. The deposited amount is counted toward the individual's total Health Savings Account annual contribution limit.*

Distributions under divorce or similar proceedings. If you receive from a qualified employee benefit plan a distribution that results from divorce or similar proceedings, you may be able to roll over all or part of it, tax free, into an IRA. You can roll over the distribution if:

(a) it is the balance to your credit in the plan,
(b) it is made under a ***qualified domestic relations order***,
(c) you receive it within one tax year (your tax year, not the plan's year),
(d) you roll over part or all of it only into an IRA, and
(e) in the case of a distribution of property other than money, you roll over the same property you received from the plan.

Treatment of amount not rolled over. The amount that you keep must be included in your gross income as ordinary income in the year you receive it. The amount you keep does not qualify for either capital gain treatment or special averaging and it cannot be deducted from gross income.

Rollover notice. A written explanation of rollover treatment is required to be given by the plan administrator to the recipient.

Minimum required distributions. Amounts that are required to be distributed from an IRA under the minimum required distribution rules are not eligible for rollover treatment.

You may roll over distributions that (1) exceed the minimum required distribution, or (2) occur during a year for which no minimum distribution is required.

IRA as a hold account. If you receive a qualified total distribution from your employer's plan and roll over part or all of it into an IRA, you may later roll over those assets into a new employer's plan. Your IRA serves as a holding account or conduit for those assets. However, you may roll over those assets into another qualified employer's plan only if they are made up of funds received from the first employer's plan and earnings on these funds, and you did not mix regular contributions or funds from other sources with them.

Special Reliefs.

*(a) **Hurricane Tax Relief.** If you have sustained an economic loss at your principal place of abode caused by hurricane Katrina, Rita, or Wilma, you may be*

eligible for a Qualified Hurricane Distribution (QHD) of up to $100,000 from your IRAs or other qualified plans. The distributions must be made before January 1, 2007 and after each hurricane that caused your economic losses. Please check IRS Publication 4492 for information. The QHD is exempted from 10% early withdrawal penalty . Taxes on QHD may be rateably spread over three years and you may pay back the QHD within three years as a rollover to avoid income tax instead of the normal within 60 days requirement.

(b) ***Heartland Disaster Relief.*** *If you have suffered economic loss due to severe storms, tornadoes, and flooding due to your principal residence being in the Midwestern states, you may be eligible to receive distributions from your IRA or other qualified plans on a tax favored basis up to a total of $100,000. The distribution must be made after the dates of the disaster(s) that caused your losses but before January 1, 2010. Please refer to IRS Publication 4492-B for more information. The distribution is exempted from 10% early withdrawal penalty; it may be spread over three years for income tax purpose and you may pay back to an IRA as a direct rollover to avoid income tax within three years instead of the regular 60 days requirement.*

(c) ***Qualified Reservist Distribution Relief.*** *If you are a qualified reservist called to active duty after September 11, 2001, you may be qualified to take an early withdrawal distribution from your IRA penalty free. You can recontribute the same amount to an IRA within two years after your active duty period ends. You cannot claim a tax deduction for the repayments. Please check IRS Publication 590 for more information.*

(d) ***Exxon Valdez Settlement Income Relief.*** *If you are a qualified taxpayer and you received settlement income, you can contribute all or part of the amount received to an eligible retirement plan which includes a traditional IRA. The amount contributed cannot exceed $100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior tax years) or the amount of qualified settlement income received during the tax year. Contributions for the year can be made until the due date for filing your return, not including extensions. For more information, please refer to IRS Publication 590.*

Life insurance contract. You may not roll over a life insurance contract from a qualified plan into an IRA.

13. **ADDITIONAL INFORMATION.**

(a) The contract has been approved as to form for use as an IRA by the Internal Revenue Service.

(b) The Internal Revenue Service approval is a determination only as to form of the annuity contract, and does not represent a determination of the merits of such annuity contract.

(c) In the event that you revoke the annuity contract, pursuant to the procedure described earlier, you are entitled to a return of the entire amount of the consideration paid by you for the annuity contract without adjustment for such items as sales commissions, administrative expenses or fluctuation in market value.

(d) Further information can be obtained from any district office of the Internal Revenue Service and from the IRS publication *Tax Information on Individual Retirement Arrangements* (publication 590).

(e) The above disclosures are a non-technical restatement and summary of certain provisions of the Internal Revenue Code which may affect your IRA. This is not a legal document. Your legal rights and obligations are governed by the Internal Revenue Code and Regulations and your contract.

14. **FINANCIAL DISCLOSURE.**

(a) It should be noted from the following illustration that discontinuance of premiums and/or surrender of the contract before maintaining it for an extended period of time may result in cash values being less than premiums paid. However, the cash values include a minimum guaranteed cash value for the entire period of the contract. The projection of growth which is illustrated is according to the current rate of excess interest declaration but is not guaranteed. Therefore, actual values of your IRA may be more or less than projected but reasonable consideration should be given to them when comparing total premiums paid to projected values. The words excess interest earnings include dividends, if any, and the earning rate and terms on the basis of which projections made are stated on this page.

(b) **Particulars of Contract**:

(i) Description of Contract.
(ii) Issue Age.
(iii) Contract Fee (if any).
(iv) Basic Premium: The gross premium shown in the contract less any contract fee shown above and the cost of any additional benefit provision, if any.
(v) Guaranteed Cash Values and the projections of growth are illustrated on the assumption that:

[ ] basic premiums in the amount of $1,000 were made on the first day of each contract year; or [ ] basic single premium in the amount of $1,000 was made on the first day of the contract year, no further premium was paid.

(vi) The projection of growth has been made on the assumption of excess interest earning rate of % over % that is assumed in the guaranteed values.

(vii) The Insurer may deduct a withdrawal charge from any amount withdrawn as shown in the contract.

(viii) The sale commission to be charged each contract year expressed as a percentage of gross premium which may be made each year is stated below.

Contract Year	Percentage of Gross Annual Premium

(ix) Illustration of Guaranteed Values and Projection of Growth:

ILLUSTRATION

End of Contract Year	Guaranteed Cash Values	Projection of Growth
1	$	$
2		
3		
4		
5		
At age 60		
At age 65		
At age 70		

15. **SIMPLIFIED EMPLOYEE PENSION (SEP).**

A simplified employee pension (SEP) is an individual retirement account or annuity that permits your employer to contribute each year to your IRA up to 25% of your compensation or *$49,000 in 2009*, whichever is less.

In order to participate in a SEP with your employer, SEP-IRAs must be set up by or on behalf of all eligible employees, as defined later. Your employer and all eligible employees can then enter into a SEP agreement that meets the requirements of the Internal Revenue Code.

Your employer contributes directly to your SEP-IRA.

Compensation. For purposes of the 25% limit, compensation does not include your employer's contribution to your SEP-IRA.

Example. Barry's employer has a SEP for its employees. Barry's compensation for 2002 was $30,000. Barry's employer can contribute up to $7,500 (25% x $30,000) to Barry's SEP-IRA.

Salary Reduction Arrangement

Beginning in 1987, a SEP may include a salary reduction arrangement. Under the arrangement, you may elect to have your employer make contributions to the SEP-IRA out of your salary. **Unless a salary reduction arrangement was established before 1997, it should not be established or made available in a SEP after 1996.**

Elective deferrals to a SEP. If you choose to have employer contributions taken out of your pay and made to a SEP-IRA (that is, elective deferrals), certain conditions must be met:

(a) At least 50% of the employees of your employer must elect to have amounts contributed to the SEP.

(b) Your employer must have no more than 25 employees at any time during the preceding year.

(c) The amount deferred each year by each highly compensated employee as a percentage of pay can be no more than 125% of the average deferral percentage of all other employees (ADP test).

A highly compensated employee means an employee who during the year or preceding year:

(a) owns more than 5% of the capital or profits interest in the employer (if not a corporation); or more than 5% of the outstanding stock or more than 5% of the total voting power of all stock of the employer corporation; or

(b) received an annual compensation from the employer of more than $80,000 and if the employee was a member of the top paid group.

Limits on Deferrals. In general, the total amount you can defer from income under a SEP and certain other elective deferral arrangements is limited to 25% of up to the first *$245,000* in 2009* of salary but not to exceed Section 402(g) (Please refer to SEP paragraph on page 2) limit for the tax year. It is further limited by Section 415 if the employer makes nonelective contributions to this or another SEP. Deferrals, not in excess of the ADP test, under an elective deferral arrangement are not included in your income in the year of deferral, but are included in wages for social security (FICA) and unemployment (FUTA) tax purposes.

Overall limits on employer contributions. Contributions made by your employer to the SEP-IRA are subject to the overall limit of 25% of your compensation or *$49,000* in 2009*, whichever is less, including elective deferrals (salary reductions).

Exceptions. An elective deferral arrangement is not available for a SEP maintained by a state or local government, or any of their political subdivisions, agencies, or instrumentalities, or to exempt organizations.

**subject to cost of living adjustment after 2009.*

Employer's contribution excludable rather than deductible. Starting in 1987, your employer's contributions to your SEP-IRA should not be included in your Form W-2, *Wage and Tax Statement*. Do not include these contributions in your income and do not deduct them.

If you make contributions to the IRA account or annuity used to fund your SEP, however, you can deduct them the same way as contributions to a regular IRA, up to the amount of your deduction limit.

Excess employer contributions you withdraw before your return is due. If your employer contributes more to your SEP-IRA than 25% of your compensation or *$49,000* in 2009*, whichever is less, you must withdraw this excess amount from your SEP-IRA before the date for filing your tax return, including extensions. If you do not, **you** are liable for the 6% tax on excess contributions.

Excess employer contributions you withdraw after your return is due. If employer contributions for the year are *$49,000* in 2009* or less, you may withdraw any excess employer contributions from your SEP-IRA after the due date for filing you tax return, including extensions, free of the 10% tax on premature distributions. However, the excess contribution is subject to the annual 6% excise tax.

Excess contributions you make. For information on excess contributions you make to your IRA or SEP-IRA, see *Excess contributions*.

All eligible employees must be covered. If your employer makes contributions to a SEP, the plan must include you if you are age 21 or older and have worked for your employer at any time during at least 3 of the past 5 years. However, if you are a member of a collective bargaining unit or a non-resident alien, you may be excluded under some circumstances. Your employer may exclude you if your compensation for year *2009* is less than *$550**.

**subject to cost of living adjustment after 2009.*

Employee leasing. The person for whom you perform services may have to include you in a SEP if you are a "leased employee." A leased employee is any person who is not an employee of the recipient and who is hired by a leasing organization, but who performs services for another (the recipient of the services). You are a leased employee and are treated as an employee of the recipient if:

(a) your services are provided under an agreement between the recipient and the leasing organization;
(b) your services are performed for the recipient, or for the recipient and related persons, on a substantially full-time basis, for a period of at least one year; and
(c) your services are of a type historically performed by employees in the recipient's field of business.

For more information on employee leasing, see the discussion in Publication 535, *Business Expenses*.

An IRA is portable. Because your IRA is in your own name, your IRA is not affected if you change jobs. A SEP-IRA, in general, follows all the regular IRA rules.

16. **SIMPLIFIED RETIREMENT ACCOUNTS.**

No contributions will be accepted under a simple IRA Plan established by any employer pursuant to Revenue Code 408(p), a qualified salary reduction arrangement. Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA Plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA Plan, prior to the expiration of the 2 year period beginning on the date the individual first participated in that employer's SIMPLE IRA Plan.

TABLE OF CONTENTS

Important Information Regarding Your Traditional and Roth IRA for 2021 and 2020

Below is an update of certain IRS limit changes due to cost of living increases and a summary of recent law changes.

IRA Changes for 2021

Income Limit Level Changes: Single Taxpayer Eligibility increased to $66,000 (+$1,000); Phase out $66,001 to $76,000
Married Taxpayer Eligibility increased to $105,000 (+$1,000); Phase out $105,001 to $125,000

Roth IRA Changes for 2021

Income Limit Level Changes: Single Taxpayer Eligibility increased to $125,000; Phase out $125,001 to $140,000
Married Taxpayer Eligibility increased to $198,000; Phase out $198,001 to $208,000

Please see below for more detailed information.

Traditional and Roth IRA	2020	2021
IRA Annual Contribution Limit:		
Contribution Limit	$6,000	$6,000
50+ Catch-up	$1,000	$1,000
AGI Limits for Deductible Contributions to a Traditional IRA		
Active Participants in Employer Plans		
Married Filing Jointly	$104,001-$124,000	$105,001-$125,000
Married Filing Separately	$0-$10,000	$0-$10,000
All Others	$65,001-$75,000	$66,001-$76,000
Nonparticipant Married to Active Participant	$195,001-$205,000	$198,001-$208,000
Neither Spouse is Active Participant		
AGI Limits for Roth IRA Contributions		
Married Filing Jointly	$196,001-$206,000	$198,001-$208,000
Married Filing Separately	$0-$10,000	$0-$10,000
All Others	$124,001-$139,000	$125,001-$140,000

Employer-Sponsored Retirement Plans		
401(k), 403(b), 457(b), Salary Deferral	$19,500	$19,500
SARSEP 50+ Catch-up	$6,500	$6,500
SIMPLE Salary Deferral	$13,500	$13,500
50+ Catch-up	$3,000	$3,000

Savers Credit for IRA Contributions. This tax credit was originally available for contributions made for taxable years beginning after December 31, 2001, and before January 1, 2007, under EGTRRA. The credit was made permanent under PPA. Also, as a result of PPA, the AGI limits which determine eligibility to receive the tax credit will now be subject to cost-of-living adjustments (COLA).

Adjusted Gross Income for 2020			
Joint Return	Head of a Household	All Other Cases	Applicable Percentage
$1-$39,000	$1-$29,250	$1-$19,500	50
$39,001-$42,500	$29,251-$31,875	$19,501-$21,250	20
$42,501-$65,000	$31,876-$48,750	$21,251-$32,500	10
Over $65,000	Over $48,750	Over $32,500	0

Adjusted Gross Income for 2021			
Joint Return	Head of a Household	All Other Cases	Applicable Percentage
$1-$39,500	$1-$30,375	$1-$20,250	50
$39,501-$42,500	$30,376-$32,625	$20,251-$21,750	20
$42,501-$66,000	$32,626-$49,500	$21,751-$33,000	10
Over $66,000	Over $49,500	Over $33,000	0

SEP-IRA Contributions. If you are a participant in a SEP plan offered by your employer, your employer may make annual SEP contributions on your behalf up to the lesser of 25% of compensation, or $58,000, per participant for 2021 ($57,000 for 2020). The limit is indexed for cost-of-living adjustments in $1,000 increments in subsequent years. An employee cannot be excluded if his annual compensation is over $600. The maximum compensation on which contributions to SEPs and SARSEPs can be based is $290,000 in 2021 ($285,000 in 2020), and indexed for cost-of-living adjustments in $5,000 increments in subsequent years.

New IRA One-Per-Year Limit Rollover Rule. After a U.S. Tax Court Ruling, beginning on January 1, 2015, only one rollover is allowed within a 12-month period no matter how many IRA or Roth accounts you may have. Another rollover from any of your IRA accounts within 12 months will be treated as a distribution and will be subject to income tax or penalty, if any. However, IRS considers that direct IRA to IRA rollovers in a year, if they are done on a trustee to trustee or custodian to custodian direct transfer basis, are not treated as distributions regardless of how many times they are done within one year. IRA trustees or custodians, however, may have their own company rules to restrict the number of rollovers you can have in a year. For example, if you want to move some money from an IRA with Bank A to your other IRA with Insurance Company B you can either: a) ask Bank A to send your IRA check directly to Insurance Company B and credit it into your IRA account, or b) ask Bank A to make the check payable to Insurance Company B for the benefit of your IRA and you send the check to Insurance Company B to credit it to your IRA. This is called direct trustee to trustee transfer and will not trigger a taxable event no matter how many times this is done within a year.

Inherited/Beneficiary Rollover IRA. Beginning in 2007, if you are an eligible non-spouse beneficiary who inherited a distribution from a qualified retirement plan, you may directly rollover the inherited assets into an inherited IRA subject to the rules applying to an inherited account and subject to the beneficiary distribution requirements.

Rollovers of Designated Roth Account. Roth salary reduction account distributed from a 401(k) cash or deferred arrangement or from a 403(b) tax-sheltered annuity may be rolled into your Roth IRA. The period that the rolled over funds were in the employer-sponsored plan do not count toward the determination of the 5-year period in the Roth IRA. However, if an individual had established a Roth IRA a year prior to the rollover, the 5-year period for determining qualified distributions from the Roth IRA, which began with the first contribution to that Roth IRA, would also apply to any funds subsequently rolled over from an employer-sponsored plan.

Rollovers from Employer-Sponsored Retirement Plans. Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) government deferred compensation plan after December 31, 2007 may be rolled over to your Roth IRA.

Direct Contribution of tax refunds to IRAs. The Pension Protection Act of 2006 (PPA) allows taxpayers to direct that a portion of his or her federal income tax refund may be directly deposited into taxpayer's IRA as a contribution. In certain cases, taxpayers must complete IRS Form 8888 to direct the contribution to their IRA provider.

The PPA (Pension Protection Act of 2006), as well as certain other legislative changes, included provisions that affect distributions from IRAs and Roth IRAs are described as below:

Designated Roth Account Rollovers and the 5-Taxable-Year Period of Participation. If there is a rollover of designated Roth account assets from an employer-sponsored plan to a Roth IRA, the period that the rolled-over funds were in the employer-sponsored plan do not count toward the determination of the 5-year period in the Roth IRA. However, if an individual had established a Roth IRA in a year prior to the rollover, the 5 year period for determining qualified distributions from the Roth IRA, which began with the first contribution to that Roth IRA, would also apply to any funds subsequently rolled over from an employer-sponsored plan.

Health Savings Account Transfer.

2021 Contributions		
	2020	**2021**
Single	$3,550	$3,600
Family	$7,100	$7,200
55 & over additional contributions		
Single	$4,550	$4,600
Family	$8,100	$8,200

Beginning in 2007 you will be allowed a one-time, tax-free transfer from an IRA to use toward your annual Health Savings Account contribution. Eligible individuals may make an irrevocable one-time, tax-free "qualified Health Savings Account funding distribution" from an IRA and move it directly into a Health Savings Account, subject to strict requirements. The Health Savings Account funding distribution must be directly transferred from the IRA custodian or trustee to the Health Savings Account custodian or trustee. The amount of the transfer cannot exceed the maximum Health Savings Account contribution limit for the year that the amount is transferred. The deposited amount is counted toward the individual's total Health Savings Account annual contribution limit.

Qualified Reservist Distribution Relief. If you are a qualified reservist called to active duty after September 11, 2001, you may be qualified to take an early withdrawal distribution from your IRA penalty free. You can recontribute the same amount to an IRA within two years after your active duty period ends. You cannot claim a tax deduction on the repayments. Please check IRS Publication 590 for more information.

You are encouraged to consult a tax advisor with respect to any tax questions to determine how these changes may affect your personal situation.

5400 Tuscarawas Rd, Beaver PA, 15009
P 1.800.722.4428 E info@GCUusa.com

I hereby acknowledge receipt of the GCU Traditional IRA Disclosure Form:

______________________________ ____________
Annuitant Signature Date

____
Please Print Name

____
Agent/Witness Signature

____
Please Print Agent/Witness Name

Type of IRA: ☐ Traditional ☐ Inherited* ☐ Spousal

1. **Will the annuitant be 70-1/2 or older as of 12/31/2020?** ☐ **Yes** ☐ **No**
2. **Will the annuitant be 70-1/2 or older as of 01/01/2021?** ☐ **Yes** ☐ **No**

*If the answer to the first question is "Yes", or if this is an INHERITED IRA, the following questions, must be completed. Date original IRA owner passed ____________________________.

3. What was the value of the account on 1/1 of this year? $ ______________________
(If available, please attach a copy of the account's previous year end statement)

4. Has the annuitant taken any distributions from their IRA account for this tax year? ☐ Yes ☐ No

5. Do you wish to participate in GCU's Automated RMD Program? Beginning with tax year ________.
   (RMD will be direct deposited in November)

   a. If **YES**, Must complete RMD Program Form with **Direct Deposit, Void Check & W-9 Form** and return with the application. ☐ Yes

   b. If **NO,** Must complete RMD Waiver Form and return with the application. ☐ No

6. If you have other IRA accounts outside of GCU, will you be taking any RMD from your GCU IRA accounts? ☐ Yes ☐ No

If you choose NOT to participate in the Automated RMD program, it will be your responsibility to submit your withdrawal request by the first business day of November each year, in order to allow sufficient time for your request to be processed.

GCU
5400 Tuscarawas Rd, Beaver PA, 15009
P 1.800.722.4428 F 724.495.3421 E info@GCUusa.com

Required Minimum Distribution for Annuity

❑ New Request ❑ Change to Existing ❑ Cancel Existing

(New Requests or Changes Must Be Accompanied by an Authorization for Direct Deposit)

First Name: ________________________________ Certificate Number(s): ____________________

Last Name: ________________________________ _______________________________________

Address: _______________________ SSN: __________________________________

____ Phone Number: (______) __________________

(Is this a new address? ❑ Yes ❑ No) Cell Phone: (______) _____________________

Email Address: ______________________________ Date of Birth:_______/_______/ _____________

❑ I hereby authorize the GCU to place my IRA(s) on the minimum distribution program beginning with tax year _______. I fully understand that the yearly distribution taken will comply with the minimum amount as set up through IRA requirements and will be Direct Deposited into the account I've chosen below by attaching a voided check. This deposit will occur ON OR ABOUT NOVEMBER 1ST each year.

❑ Place into existing GCU Account #___________________________

Owner Signature ____ ***Date*** ___________________

Tax and Direct Deposit information <u>must be completed</u> below. W-9 must be completed with this form.

Election to Withhold Taxes:
(Tax section must be completed)

❑ I elect not to have income tax withheld.

❑ I elect to have income tax withheld at a flat amount of $ ________________.

❑ I elect to have income tax withheld equal to______________% of taxable amount.

NOTE: If you do not make one of the selections above, GCU must withhold the mandatory 28% as set forth by Internal Revenue Service regulations.

Type of Account:

❑ Checking Account (Please attach a copy of voided check below.

❑ Savings Account (For anyone wishing to deposit funds into their savings account, please attach a letter from your bank listing your name, bank routing number and bank savings account number.)

FOR ELECTRONIC PAYMENT

A **Voided Check** or Authorization Form for Electronic Payment to a Savings Account is Required.

PLEASE ATTACH HERE WITH TAPE.

5400 Tuscarawas Rd, Beaver PA, 15009
P 1.800.722.4428 F 724-495-3421 E info@GCUusa.com

Required Minimum Distribution Waiver Election Form

IRA Owner Information

Name: ____

SSN: ____________________ DOB: ____________________

Address: ____________________ Phone: ____________________

City/State/Zip: ____

Certificate: # ______________ Email Address: ____________________

Beginning with tax year ______________ and until I provide GCU with written notice otherwise, the required minimum distribution from my GCU IRA will be satisfied by Manual Distribution from other sources. Do not pay my Required Minimum Distribution from this GCU IRA.

I may revoke this election at any time by providing written instructions to GCU.

I certify that, to the best of my knowledge, the information provided on this form is true and correct and may be relied on by the GCU. I acknowledge that I am responsible for calculating and withdrawing my Required Minimum Distribution. Due to the important tax consequences of this election, I agree to seek the advice of a legal or tax professional as needed. The GCU has not provided me with any legal or tax advice, and I assume full responsibility. I will not hold the GCU liable for any adverse consequences that may result from this election.

Signature IRA Owner ________________________________ Date ______________