

# Individual Retirement Custodial Account

OMB No. 1545-0365

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

**Do NOT File  
with Internal  
Revenue Service**

State of \_\_\_\_\_ } SS  
County of \_\_\_\_\_ }  Amendment

Depositor's name \_\_\_\_\_ Depositor's date of birth \_\_\_\_\_  
Depositor's social security number \_\_\_\_\_ Depositor's address \_\_\_\_\_  
Custodian's name \_\_\_\_\_ Custodian's address or principal place of business \_\_\_\_\_

The Depositor whose name appears above is establishing an individual retirement account (under section 408(a) of the Internal Revenue Code) to provide for his or her retirement and for the support of his or her beneficiaries after death.  
The Custodian named above has given the Depositor the disclosure statement required under the Income Tax Regulations under section 408(i) of the Code.

The Depositor has deposited with the Custodian: \_\_\_\_\_ dollars (\$ \_\_\_\_\_) in cash.

The Depositor and the Custodian make the following agreement

### Article I

The Custodian may accept additional cash contributions on behalf of the Depositor for a tax year of the Depositor. The total cash contributions are limited to \$2,000 for the tax year unless the contribution is a rollover contribution described in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 405(d)(3), 408(d)(3), or 409(b)(3)(C) of the Code or an employer contribution to a simplified employee pension plan as described in section 408(k).

### Article II

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

### Article III

1. No part of the custodial 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) of the Code).
2. No part of the custodial funds may be invested in collectibles (within the meaning of section 408(m) of the Code).

### Article IV

1. The Depositor's entire interest in the custodial account must be, or begin to be, distributed before the end of the tax year in which the Depositor reaches age 70 1/2. By the end of that tax year, 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 payment.
- (b) An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the life of the Depositor. The payments must begin by the end of that tax year.
- (c) An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the joint and last survivor lives of the Depositor and his or her spouse. The payments must begin by the end of the tax year.
- (d) Equal or substantially equal monthly, quarterly, or annual payments over a specified period that may not be longer than the Depositor's life expectancy.
- (e) Equal or substantially equal monthly, quarterly, or annual payments over a specified period that may not be longer than the joint life and last survivor expectancy of the Depositor and his or her spouse.

Even if distributions have begun to be made under option (d) or (e), the Depositor may receive a distribution of the balance in the custodial account at any time by giving written notice to the Custodian. If the Depositor does not choose any of the methods of distribution described above by the end of the tax year in which he or she reaches age 70 1/2, distribution to the Depositor will be made before the end of that tax year by a single-sum payment. If the Depositor elects as a means of distribution (b) or (c) above, the annuity contract must satisfy the requirements of section 408(b)(1), (3), (4), and (5) of the Code. If the Depositor elects as a means of distribution (d) or (e) above, figure the payments made in tax years beginning in the tax year the Depositor reaches age 70 1/2 as follows:

- (i) For the minimum annual payment, divide the Depositor's entire interest in the custodial account at the beginning of each year by the life expectancy of the Depositor (or the joint life and last survivor expectancy of the Depositor and his or her spouse, or the period specified under (d) or (e), whichever applies). Determine the life expectancy in either case on the date the Depositor reaches 70 1/2 minus the number of whole years passed since the Depositor became 70 1/2.
- (ii) For the minimum monthly payment, divide the result in (i) above by 12.
- (iii) For the minimum quarterly payment, divide the result in (i) above by 4.

2. If the Depositor dies before his or her entire interest in the account is distributed to him or her, or if distribution is being made as provided in (e) above to his or her surviving spouse, and the surviving spouse dies before the entire interest is distributed, the entire remaining undistributed interest will, within 5 years after the Depositor's death or the death of the surviving spouse, be distributed to the beneficiary or beneficiaries of the Depositor or the Depositor's surviving spouse. However, the preceding distribution is not required if distributions over a specified term began before the death of the Depositor and the term is for a period permitted under (d) or (e) above and distributions continue over that period. If the Depositor dies before his or her entire interest has been distributed and if the beneficiary is other than the surviving spouse, no additional cash contributions or rollover contributions may be accepted in the account.

### Article V

Unless the Depositor dies, is disabled (as defined in section 72(m) of the Code), or reaches age 59 1/2 before any amount is distributed from the account, the Custodian must receive from the Depositor a statement explaining how he or she intends to dispose of the amount distributed.

### Article VI

1. The Depositor agrees to provide the Custodian with information necessary for the Custodian to prepare any reports required under section 408(i) of the Code and the related regulations.

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

**Article VII**

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 that are not consistent with section 408(a) of the Code and related regulations will be invalid.

**Article VIII**

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

**Note:** *The following space (Article IX) may be used for any other provisions you wish to add. If you do not wish to add any other provisions, draw a line through this space. If you add provisions, they must comply with applicable requirements of State law and the Internal Revenue Code.*

**Article IX**

Depositor's Signature \_\_\_\_\_

Custodian's Signature \_\_\_\_\_

Date \_\_\_\_\_

Witness \_\_\_\_\_  
(Use only if signature of Depositor or Custodian is required to be witnessed.)

**Instructions**

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

**Paperwork Reduction Act Notice**

The Paperwork Reduction Act of 1980 says that we must tell you why we are collecting this information, how it is to be used, and whether you have to provide it. The information is used to determine if you are entitled to a deduction for contributions to this custodial account. Your completing this information is only required if you want to adopt this model custodial account.

**Purpose of Form**

This model custodial account may be used by an individual who wishes to adopt an individual retirement account under section 408(a). When fully executed by the Depositor and the Custodian not later than the time prescribed by law for filing the Federal income tax return for the Depositor's tax year (including any extensions thereof), a Depositor will have an individual retirement account (IRA) custodial account which meets the requirements of section 408(a). This custodial account must be created in the United States for the exclusive benefit of the Depositor or his/her beneficiaries.

**Definitions**

**Custodian.**—The Custodian must be a bank or savings and loan association, as defined in section 408(n), or other person who has the approval of the Internal Revenue Service to act as custodian.

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

**IRA for Non-Working Spouse**

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

This form may be used to establish the IRA custodial account established for the non-working spouse.

An employee's social security number will serve as the identification number of his or her individual retirement account. An employer identification number is not required for each individual retirement account, nor for a common fund created for individual retirement accounts.

For more information, get a copy of the required disclosure statement from your Custodian or get **Publication 590**, Individual Retirement Arrangements (IRA's).

**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 make sure the requirements of section 408(a)(6) have been met. For example, if a Depositor elects distributions over a period permitted in (d) or (e)

of Article IV, the period may not extend beyond the life expectancy of the Depositor at age 70½ (under option (d)) or the joint life and last survivor expectancy of the Depositor (at age 70½) and the Depositor's spouse (under option (e)). For this purpose, life expectancies must be determined by using the expected return multiples in section 1.72-9 of the Income Tax Regulations (26 CFR Part 1). The balance in the account as of the beginning of each tax year beginning on or after the Depositor reaches age 70½ will be used in computing the payments described in (d) and (e) of Article IV. Article IV does not preclude a mode of distribution different from those described in (a) through (e) of Article IV prior to the close of the tax year of the Depositor in which he/she reaches age 70½.

**Article IX.**—This article and any that follow it may incorporate additional provisions that are agreed upon by the Depositor and Custodian to complete the agreement. These may include, for example: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, State law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the depositor, etc. Use additional pages if necessary and attach them to this form.

**Note:** *This form may be reproduced and reduced in size for adoption to passbook or card purposes.*