

**Education Individual Retirement Trust Account**

(Under section 530 of the Internal Revenue Code)

**DO NOT File  
 With the Internal  
 Revenue Service**

Name of grantor	Grantor's identification number	Check if Amendment <input type="checkbox"/>
Name of designated beneficiary	Designated beneficiary's identification number	
Address of designated beneficiary	Date of birth of designated beneficiary	
Name of responsible individual (generally the parent or guardian of the designated beneficiary)		
Address of responsible individual		
Name of trustee	Address or principal place of business of trustee	

The grantor whose name appears above is establishing an education individual retirement trust account under section 530 for the benefit of the designated beneficiary whose name appears above exclusively to pay for the qualified higher education expenses, within the meaning of section 530(b)(2), of such designated beneficiary.

The trustee named above has provided the grantor with a concise statement disclosing the provisions governing section 530. This disclosure statement must include an explanation of the statutory requirements applicable to, and the income tax consequences of establishing and maintaining an account under, section 530. Providing the grantor with a copy of Notice 97-60, 1997-46 I.R.B. 8 (November 17, 1997) is considered a sufficient disclosure statement. The trustee also will provide a copy of this form and the disclosure statement to the responsible individual, as defined in Article VI below, if the responsible individual is not the same person as the grantor.

The grantor has assigned the trust ..... dollars (\$ ..... ) in cash.

The grantor and the trustee make the following agreement:

**Article I**

The trustee may accept additional cash contributions. These contributions may be from the grantor, or from any other individual, for the benefit of the designated beneficiary, provided the designated beneficiary has not attained the age of 18 as of the date such contributions are made. Total contributions that are not rollover contributions described in section 530(d)(5) are limited to a maximum amount of \$500 for the taxable year.

**Article II**

The maximum aggregate contribution that an individual may make to the trust in any year may not exceed the \$500 in total contributions that the trust can receive. In addition, the maximum aggregate contribution that an individual may make to the trust in any year is phased out for unmarried individuals who have modified adjusted gross income (AGI) between \$95,000 and \$110,000 for the year of the contribution and for married individuals who file joint returns with modified AGI between \$150,000 and \$160,000 for the year of the contribution. Unmarried individuals with modified AGI above \$110,000 for the year and married individuals who file joint returns and have modified AGI above \$160,000 for the year may not make a contribution for that year. Modified AGI is defined in section 530(c)(2).

**Article III**

No part of the trust funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common investment fund (within the meaning of section 530(b)(1)(D)).

**Article IV**

1. Any balance to the credit of the designated beneficiary on the date on which such designated beneficiary attains age 30 shall be distributed to the designated beneficiary within 30 days of such date.

2. Any balance to the credit of the designated beneficiary shall be distributed to the estate of the designated beneficiary within 30 days of the date of such designated beneficiary's death.

**Article V**

The grantor shall have the power to direct the trustee regarding the investment of the above-listed amount assigned to the trust (including earnings thereon) in the investment choices offered by the trustee. The responsible individual, however, shall have the power to redirect the trustee regarding the investment of such amounts, as well as the power to direct the trustee regarding the investment of all additional contributions (including earnings thereon) to the trust. In the event that the responsible individual does not direct the trustee regarding the investment of additional contributions (including earnings thereon), the initial investment direction of the grantor also will govern all additional contributions made to the trust account until such time as the responsible individual otherwise directs the trustee. Unless otherwise provided in this agreement, the responsible individual also shall have the power to direct the trustee regarding the administration, management, and distribution of the account.

**Article VI**

The "responsible individual" named by the grantor shall be a parent or guardian of the designated beneficiary. The trust shall have only one responsible individual at any time. If the responsible individual becomes incapacitated or dies while the designated beneficiary is a minor under state law, the successor responsible individual shall be the person named to succeed in that capacity by the preceding responsible individual in a witnessed writing or, if no successor is so named, the successor responsible individual shall be the designated beneficiary's other parent or successor guardian. Unless otherwise directed by checking the option below, at the time that the designated beneficiary attains the age of majority under state law, the designated beneficiary becomes the responsible individual.

\_\_\_\_ Option (This provision is effective only if checked): The responsible individual shall continue to serve as the responsible individual for the trust after the designated beneficiary attains the age of majority under state law and until such time as all assets have been distributed from the trust and the trust terminates. If the responsible individual becomes incapacitated or dies after the designated beneficiary reaches the age of majority under state law, the responsible individual shall be the designated beneficiary.

Article VII

The responsible individual \_\_\_\_ may or \_\_\_\_ may not change the beneficiary designated under this agreement to another member of the designated beneficiary's family described in section 529(e)(2) in accordance with the trustee's procedures.

Article VIII

- 1. The grantor agrees to provide the trustee with the information necessary for the trustee to prepare any reports required under section 530(h).
2. The trustee agrees to submit reports to the Internal Revenue Service and the responsible individual as prescribed by the Internal Revenue Service.

Article IX

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV will be controlling. Any additional articles that are not consistent with section 530 and related regulations will be invalid.

Article X

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 grantor and trustee whose signatures appear below.

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

Grantor's signature ..... Date .....
Trustee's signature ..... Date .....
Witness' signature ..... Date .....
(Use only if signature of the grantor or the trustee is required to be witnessed.)

General Instructions

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

Purpose of Form

Form 5305-E is a model trust account agreement that meets the requirements of section 530(a) and has been automatically approved by the IRS. An education individual retirement account (Ed IRA) is established after the form is fully executed by both the grantor and the trustee. This account must be created in the United States for the exclusive purpose of paying the qualified higher education expenses of the designated beneficiary.

Do not file Form 5305-E with the IRS. Instead, keep it for your records.

For more information, including information about the required disclosure you must get from your trustee, see Notice 97-60, 1997-46 I.R.B. 8 (November 17, 1997).

Definitions

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

approval of the IRS to act as trustee. Any person who may serve as a trustee of a traditional IRA may serve as the trustee of an Ed IRA.

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

Designated beneficiary. The designated beneficiary is the person on whose behalf the trust account has been established.

Responsible individual. The responsible individual, generally, is a parent or guardian of the designated beneficiary. However, under certain circumstances, the responsible individual may be the designated beneficiary.

Identification Numbers

The grantor and designated beneficiary's social security numbers will serve as their identification numbers. If the grantor is a nonresident alien and does not have an identification number, write "Foreign" in the block where the number is requested. The designated beneficiary's social security number is the identification number of his or her Ed IRA. An employer identification number (EIN) is required only for an Ed IRA for which a return is filed to report unrelated

business income. An EIN is required for a common fund created for Ed IRAs.

Specific Instructions

Article XI. Article XI and any that follow may incorporate additional provisions that are agreed to by the grantor and trustee to complete the agreement. They may include, for example, provisions relating to: definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the trustee, trustee's fees, state law requirements, treatment of excess contributions, and prohibited transactions with the grantor, designated beneficiary, or responsible individual, etc. Use additional pages as necessary and attach them to this form.

Optional provisions in Article VI and Article VII. Form 5305-E may be reproduced in a manner that provides only those optional provisions offered by the trustee.

Note: Form 5305-E may be reproduced and reduced in size for adaption to passbook purposes.

