

**Roth Individual Retirement Trust Account**  
 (Under Section 408A of the Internal Revenue Code)

DO NOT File  
 with the Internal  
 Revenue Service

Name of grantor	Date of birth of grantor	Social security number : : :
Address of grantor		Check if Amendment . . . <input type="checkbox"/>
Name of trustee	Address or principal place of business of trustee	

The grantor whose name appears above is establishing a Roth individual retirement account (Roth IRA) under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The trustee named above has given the grantor the disclosure statement required under Regulations section 1.408-6.

The grantor has assigned the trust \$ .....

The grantor and the trustee make the following agreement:

**Article I**

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the trustee will accept only cash contributions and only up to a maximum amount of \$2,000 for any tax year of the grantor.

**Article II**

1. The \$2,000 limit described in Article I is gradually reduced to \$0 between certain levels of adjusted gross income (AGI). For a single grantor, the \$2,000 annual contribution is phased out between AGI of \$95,000 and \$110,000; for a married grantor who files jointly, between AGI of \$150,000 and \$160,000; and for a married grantor who files separately, between \$0 and \$10,000. In the case of a conversion, the trustee will not accept IRA Conversion Contributions in a tax year if the grantor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the grantor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the grantor and his or her spouse.

**Article III**

The grantor's interest in the balance in the trust account is nonforfeitable.

**Article IV**

1. 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 trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

**Article V**

1. If the grantor dies before his or her entire interest is distributed to him or her and the grantor's surviving spouse is not the sole beneficiary, the entire remaining interest will, at the election of the grantor or, if the grantor has not so elected, at the election of the beneficiary or beneficiaries, either:

(a) Be distributed by December 31 of the year containing the fifth anniversary of the grantor's death, or

(b) Be distributed over the life expectancy of the designated beneficiary starting no later than December 31 of the year following the year of the grantor's death.

If distributions do not begin by the date described in (b), distribution method (a) will apply.

2. In the case of distribution method 1.(b) above, to determine the minimum annual payment for each year, divide the grantor's entire interest in the trust as of the close of business on December 31 of the preceding year by the life expectancy of the designated beneficiary using the attained age of the designated beneficiary as of the beneficiary's birthday in the year distributions are required to commence and subtract 1 for each subsequent year.

3. If the grantor's spouse is the sole beneficiary on the grantor's date of death, such spouse will then be treated as the grantor.

**Article VI**

1. The grantor agrees to provide the trustee with information necessary for the trustee to prepare any reports required under sections 408(i) and 408A(d)(3)(E), and Regulations section 1.408-5 and 1.408-6, and under guidance published by the Internal Revenue Service.

2. The trustee agrees to submit reports to the Internal Revenue Service and the grantor 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 IV and this sentence will be controlling. Any additional articles that are not consistent with section 408A, the related regulations, and other published guidance will be invalid.

### Article VIII

This agreement will be amended from time to time to comply with the provisions of the Code, related regulations, and other published guidance. 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 the grantor and trustee want to add. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code.

### Article IX

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

**Note:** Users of the January 1998 version of Form 5305-R are not required to use the January 2000 revision of the form.

Form 5305-R is a model trust account agreement that meets the requirements of section 408A and has been automatically approved by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (grantor) and the trustee. This account must be created in the United States for the exclusive benefit of the grantor or his or her beneficiaries.

**Do not** file Form 5305-R with the IRS. Instead, keep it for record purposes.

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the grantor's gross income; and distributions after 5 years that are made when the grantor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the trustee must give the grantor, see

**Pub. 590**, Individual Retirement Arrangements (IRAs) (including Roth IRAs and Education IRAs).

### Definitions

**IRA Conversion Contributions.** IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

**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.

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

### Specific Instructions

**Article I.** The grantor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the grantor have been made for the same tax year, (2) the grantor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the grantor's and spouse's compensation does not exceed the amount contributed for them for the tax year. The grantor should see the disclosure statement or Pub. 590 for more information.

**Article V.** This article describes how distributions will be made from the Roth IRA after the grantor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the grantor's intent. Under paragraph 3 of Article V, the grantor's spouse is treated as the owner of the Roth IRA upon the death of the grantor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary, and not the owner, an overriding provision should be added to Article IX.

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

**Note:** Form 5305-R may be reproduced and reduced in size for adaptation to passbook purposes.

