

# Supplement to IRA, 403(b) and 457(b) Custodial Agreements



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*The updates below apply to the American Century Investments® custodial agreements for the following retirement accounts: SEP IRA, SARSEP IRA, SIMPLE IRA, 403(b) and 457(b).*

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**Summary of change:** A SIMPLE IRA may accept a rollover contribution from a Traditional IRA, a SEP IRA, a governmental 457(b), a qualified plan under 401(a) or a 403(b) plan after the Participant's 2-year participation period in the SIMPLE IRA, as reflected in the September 2016 IRS "List of Required Modifications" for SIMPLE IRAs.

*Disclosure Statement and Custodial Agreement for SIMPLE IRA: Article I, page 17, replace current paragraph with the following:*

The Custodian will accept cash contributions made on behalf of the Participant by the Participant's employer under the terms of a SIMPLE IRA plan described in Section 408(p). The Custodian will also accept transfers or rollovers from other SIMPLE IRAs of the Participant at any time. Additionally, beginning after December 18, 2015, and after the expiration of the 2-year period following the date the Participant first participated in the SIMPLE IRA, the Custodian will accept a rollover contribution from an eligible retirement plan. An eligible retirement plan is defined as a Traditional IRA under 408(a) or (b), a SEP IRA, a governmental 457(b) plan, a qualified plan under 401(a), or a 403(b) plan. No other contributions will be accepted by the Custodian.

**Summary of change:** The employer may authorize fee deduction from SEP, SARSEP and SIMPLE IRAs.

*Disclosure Statement and Custodial Agreement for Traditional, Rollover, Roth, SEP and SARSEP IRA: Article VIII, Section 16: Taxes, Fees and Expenses, page 41, replace paragraph (d) with the following:*

The Depositor or, for a SEP or SARSEP IRA, the Depositor's employer, may authorize the Custodian to pay other expenses incurred by the Depositor or the Depositor's employer out of the Custodial Account, including but not limited to fees of a registered investment Advisor for financial advisory services rendered to the Depositor with respect to the assets held in the Custodial Account and fees for the performance of other administrative services, including, for a SEP or SARSEP IRA, services performed by an administrator appointed by the Depositor's employer. The Depositor or, for a SEP or SARSEP IRA, the Depositor's employer, must specifically authorize the Custodian in writing, in a form and manner acceptable to the Custodian and Service Company, to pay such fees upon receipt of a statement from the Advisor or other service provider. The Custodian and Service Company shall not be required to inquire as to the actual performance of such services, the accuracy of the fee statement, the reasonableness of the fees for the services, or the regulation of such fees under federal or state law. The Custodian and Service Company shall be free from all liability to the Depositor, any Beneficiary, or any other person for the payment of, or the failure or refusal to pay, such fees.

*Disclosure Statement and Custodial Agreement for SIMPLE IRA: Article VIII, Section 16: Taxes, Fees and Expenses, page 31, replace paragraph (d) with the following:*

The Participant or Participant's employer may authorize the Custodian to pay other expenses incurred by the Participant or Participant's employer out of the Custodial Account, including but not limited to fees of a registered investment Advisor for financial advisory services rendered to the Participant with respect to the assets held in the Custodial Account and fees for the performance of other administrative services, including services performed by an administrator appointed by the Participant's employer. The Participant or Participant's employer must specifically authorize the Custodian in writing, in a form and manner acceptable to the Custodian and Service Company, to pay such fees upon receipt of a statement from the Advisor or other service provider. The Custodian and Service Company shall not be required to inquire as to the actual performance of such services, the accuracy of the fee statement, the reasonableness of the fees for the services, or the regulation of such fees under federal or state law. The Custodian and Service Company shall be free from all liability to the Participant, any Beneficiary, or any other person for the payment of, or the failure or refusal to pay, such fees.

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**Summary of change:** Updates to custodial fee information

*The Revised Content shown below replaces the existing content in the following documents as noted for each document.*

- *Disclosure Statement and Custodial Agreement for Traditional, Rollover, Roth, SEP and SARSEP IRA: Fees That May Apply, page 19. Under SEP and SARSEP IRA Owner fees section, replace "Custodial fee" section.*
- *Disclosure Statement and Custodial Agreement for SIMPLE IRA: Fees That May Apply, page 13, replace "Custodial fee" section.*
- *403(b) Custodial Agreement: Questions and Answers, pages 3-4, replace "Is there a fee for my 403(b) custodial account?" section.*
- *Plan and Custodial Agreement for 457(b) Tax-deferred retirement plan: Article 10—Fees and expenses of the account, pages 17-18. Replace the second paragraph.*

**Revised Content:**

Your assets are held in a custodial account by the Custodian, State Street Bank and Trust Company. The applicable custodial fee noted below will be charged if your eligible investments at American Century Investments total less than \$10,000 at the time the fee is calculated.

- If your custodial account is invested in no-load shares or in R Class shares established through certain intermediary agreements with us, you will be charged \$15 *per fund* annually.
- If your custodial account is invested in load shares (excluding R Class shares established through certain intermediary agreements with us), you will be charged a \$15 annual fee.

The custodial fee is waived if your eligible investments total \$10,000 or more at the time the fee is calculated. We will calculate your total eligible investments on the business day prior to the second Friday of November each year. If your investments' total value is less than \$10,000 at that time, we will redeem shares on the second Friday of November to pay the fee. For custodial accounts first funded between August 1 and the second Friday in November, the fee calculation is delayed until the business day prior to the second Friday in February of the following calendar year. In such case, this may result in the deduction of two custodial fees during a calendar year (on the second Friday of February and the second Friday of November). No bill will be sent. If you prefer to prepay your custodial fee, call American Century Investments for details on prepaying the fee.

In determining your total eligible investments, we will include all personal accounts registered under your Social Security number. Personal accounts include individual, joint, UGMA/UTMA, personal trusts, Coverdell Education Savings Accounts, Traditional, Rollover, Roth, SEP, SARSEP and SIMPLE IRAs, 403(b) and governmental 457(b) custodial accounts, but no other retirement accounts. If you hold American Century Investments brokerage accounts, only assets from American Century Investments funds will be considered in the calculation of your eligible investments amount.

If you are a joint owner or custodian of an account listed under someone else's Social Security number, we will calculate those assets as part of that person's eligible investments, and not yours.

**Additional Content for 403(b) and 457(b) custodial agreements:**

- *403(b) Custodial Agreement: At the end of the above Revised Content, add the following:*  
If your employer's 403(b) plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the custodial fee is waived if your employer has notified American Century Investments of the plan's ERISA status.
- *Plan and Custodial Agreement for 457(b) Tax-deferred retirement plan: At the end of the above Revised Content, add the following:*  
The Custodian may substitute a different fee schedule at any time upon thirty (30) days' written notice to the Participant or Beneficiary.

# Supplement to 403(b) and 457(b) Custodial Agreements



Effective February 1, 2014, the updates below will be made to the American Century Investments® custodial agreements for the following retirement accounts: 403(b) and 457(b).

## Summary of change

American Century Investments® will add a target-date fund as the investment default fund. Assets may be invested in the target-date fund if client instructions are unclear, in the absence of investment instructions, or if a fund is no longer available for the account. The target-date fund will be based on the client's year of birth and an assumed retirement age of 65.

## Changes to 403(b) and 457(b) Custodial Agreements:

*American Century Investments 403(b) Custodial Agreement*, Article II: Definitions, page 15, new paragraph D and delete current paragraph M (**Money Market Fund**).

*American Century Investments Plan and Custodial Agreement 457(b) Tax-deferred retirement plan*, Article II: Definitions, page 4, new paragraph 2.4 and delete current paragraph 2.13 (**Money Market Fund**).

**Ancillary Fund** means any mutual fund or registered investment company designated by American Century Investment Management, Inc., which is (i) advised, sponsored or distributed by a duly licensed mutual fund or registered investment company other than the Custodian, and (ii) subject to a separate agreement between American Century Investment Management, Inc. and such mutual fund or registered investment company, to which neither the Custodian nor American Century is a party; provided, however, that such mutual fund or registered investment company must be legally offered for sale in the state of the Employee's residence.

## Changes to American Century Investments 403(b) Custodial Agreement Only

*Article II: Definitions, page 15, replace current paragraph L with below.*

**Fund** means any mutual fund or investment company registered under the Investment Company Act of 1940, as amended, which is advised, sponsored or distributed by American Century Investment Management, Inc. or any of its affiliated companies, that are authorized by American Century for the investment of contributions to the Plan. In addition, if so elected by the Employer and only for purposes of investing contributions to a Custodial Account, "Fund" shall also include any mutual fund investment options available under the Schwab Personal Choice Retirement Account® (PCRA) self-directed brokerage account option. Subject to the provisions of Article IV below, the term "Fund" may also include an Ancillary Fund.

*Article IV: Investment of Contributions, section A. Purchase of Shares, Page 19, additions to paragraph 2 and new paragraph 3.*

The Employee will specify his or her investment instructions for the initial investment of contributions to the Custodial Account at the same time he or she completes the Account Application for the Custodial Account, and such instructions will remain in effect until the Custodian receives new instructions in a form acceptable to the Custodian. However, if investment instructions for any contribution are not received from the Employee as required, or if any instructions received by the Custodian are incomplete or ambiguous in the judgment of the Custodian, the Custodian may continue to invest contributions to the Custodial Account in accordance with the Employee's most recent investment instructions (if any) until such incompleteness or ambiguity has been resolved to the Custodian's satisfaction; alternatively, the Custodian may return any contributions received for the Custodial Account to the Employee or Employer,

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or may invest them in (1) a default Fund selected by the Employer for the Plan, if any, or (2) an Ancillary Fund, if one has been designated by American Century Investment Management, Inc., and Employee shall be deemed to have directed Custodian to invest such contributions accordingly until new instructions are provided by the Employee or until such incompleteness or ambiguity has been resolved. In any event, the Custodian will have no liability for interest or for loss or changes in investment values of Fund shares which occur pending the Employee's providing proper investment instructions or the resolution of such incompleteness or ambiguity (as the case may be).

The parties to this Agreement recognize and agree that American Century Investment Management, Inc. may from time-to-time designate an Ancillary Fund in which all or a portion of the contributions to a Custodial Account may be invested and reinvested. The parties to this Agreement further recognize and agree that the lack of investment instructions (or the provision of instructions that are incomplete or ambiguous) by Employee shall act as Employee's consent to the designation by American Century Investment Management, Inc. of an Ancillary Fund in which all or a portion of the Custodial Account may be invested or reinvested. Despite any contrary provision of this Agreement, neither the Custodian nor American Century has any discretion with respect to the designation of an Ancillary Fund.

*Article IV: Investment of Contributions, section C. Change of Investments, page 20, additions to paragraph 4.*

In the event that any Fund held in the Custodial Account is liquidated or is otherwise made unavailable by the Distributor of such Fund as a permissible investment for the Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Employee. If the Employee does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Custodian, the Custodian may invest such liquidation or other proceeds in such other Fund (including an Ancillary Fund if available) as the Distributor designates, and provided that the Distributor gives at least thirty (30) days advance notice to the Employee (or his or her Beneficiary, if Employee is deceased). In such case, neither the Distributor nor the Custodian will have any responsibility for such investment.

### **Changes to 457(b) Custodial Agreement Only**

*Article 5, Investment of account assets section, page 10, additions to paragraph 1 and new paragraph 2.*

Each contribution to an Account shall be applied to the purchase of full and fractional Shares designated by the Participant and shall be credited to and held in such Account. In the event no direction is made, or if such direction is incomplete or unclear in the judgment of American Century, the Participant directs the Custodian to invest all contributions in an Ancillary Fund, if one has been designated by American Century Investment Management, Inc., until further direction is received. Contributions shall continue to be invested in such Ancillary Fund unless the Participant submits to the Custodian subsequent contrary instructions, in a form acceptable to the Custodian, to invest in another series of Shares. The Participant, or a Beneficiary for whom an Account has been established, may exchange a series of Shares for any other eligible Shares by submitting instructions in a form acceptable to the Custodian. A Participant, or a Beneficiary for whom an Account has been established, may change his or her investment direction or exchange Shares at any time, subject to any restrictions described in the prospectus for any Shares. All dividends and capital gain distributions received on the Shares held in the Account shall be reinvested in additional Shares, which shall be credited to such Account.

The parties to this Plan and Custodial Agreement recognize and agree that American Century Investment Management, Inc. may from time-to-time designate an Ancillary Fund in which all or a portion of the contributions to an Account may be invested and reinvested. The parties to this Plan and Custodial Agreement further recognize and agree that the lack of investment instructions (or the provision of instructions that are incomplete or unclear) by Participant shall act as Participant's consent to the designation by American Century Investment Management, Inc. of an Ancillary Fund in which all or a portion of the Account may be invested or reinvested. Despite any contrary provision of this Plan and Custodial Agreement, neither the Custodian nor American Century has any discretion with respect to the designation of an Ancillary Fund.

# 403(b) Custodial Agreement

Read about the terms and conditions  
that govern your account.



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## Questions and Answers

These are questions frequently asked about 403(b) custodial accounts. If you have other questions, please call a Business Retirement Specialist at 1-800-345-3533.

### Getting Started

#### What is a 403(b) plan?

Retirement planning is an important part of everyone's financial strategy. For employees of schools, colleges, universities and not-for-profit organizations, one of the best ways to invest for the future is through a 403(b) plan, which is established by your employer.

Named after the federal tax section that governs it, a 403(b) plan is a powerful and unique way to invest. Other investments have various purposes (saving for a home or a child's education, for example), but a 403(b) plan is specially designed to help you prepare today for a secure retirement in the future.

The chief advantage of a 403(b) plan is that your earnings may grow and compound within your 403(b) custodial account year after year, without being reduced by taxes. Of course, once you begin removing money from your 403(b) custodial account, you will owe taxes on any pre-tax contributions you made to the plan, but often at a lower tax rate because your income typically is less after retirement. Additionally, when you invest through payroll deductions on a pre-tax basis, the money is deducted from your taxable income so you have less tax to pay today.

Alternatively, if your employer's 403(b) plan offers a Roth elective deferral option, you may choose to make elective deferrals on an after-tax basis. While your taxable income is not reduced at the time you make Roth elective deferral contributions, distributions from your Roth account will be tax-free as long as you meet the criteria for a qualified distribution. Generally, a qualified distribution means you must be at least age 59½ and the Roth money must be in your 403(b) plan for at least five years in order to be exempt from any applicable taxes and penalties.

#### Am I eligible to establish a 403(b) custodial account?

If you are employed full- or part-time by a not-for-profit, tax-exempt organization under Code Section 501(c)(3), or by an educational institution, and your employer has established a 403(b) plan, you probably are eligible to establish a 403(b) custodial account. Examples of qualified organizations include hospitals, colleges, universities, public and private schools, churches and other not-for-profit organizations. Check with your employer to determine if it has established a 403(b) plan. You cannot contribute to a 403(b) custodial account unless your employer has adopted a written 403(b) plan.

#### How do I set up a 403(b) custodial account and begin making contributions?

After reviewing this booklet and the appropriate prospectus(es), submit a *403(b) Account Application* to American Century Investments. Contributions to a 403(b) custodial account are made through a salary reduction agreement you make with your employer. This agreement, signed by you and your employer, allows money to be taken from your paycheck and contributed to your custodial account.

Your employer may have a salary reduction agreement for you to complete. If not, you may use the *Salary Reduction Agreement* provided in the 403(b) kit.

**Please give the completed *Salary Reduction Agreement* to your employer (or to an administrator appointed by your employer). Do not send it to American Century Investments®.**

After your 403(b) custodial account is established, your employer will begin sending your contributions to American Century Investments.

## **403(b) Custodial Accounts at American Century Investments**

### **Which funds are available to a 403(b) custodial account?**

American Century Investments provides a family of mutual funds for 403(b) investments including international funds, stock funds, bond funds, money market funds and asset allocation funds. Our asset allocation funds include investments across different asset classes, providing diversified portfolios with varying degrees of risk.

### **Can I invest my contribution in more than one fund?**

Yes. You can invest in one fund or any combination of funds available to your 403(b) plan to help you meet your investment goals. **The number of funds you choose can have a direct effect on your fees, as further explained under “Is there a fee for my 403(b) custodial account?” below.**

### **How will I keep track of my 403(b) custodial account? Will I get a statement?**

Yes. American Century Investments will send you a statement after each calendar quarter showing all 403(b) contributions you made during the quarter, any distributions you received and the value of your 403(b) custodial account. In addition, Form 1099-R is filed with the Internal Revenue Service (IRS) and a copy is provided to you. This form shows all amounts distributed to you from your 403(b) custodial account during the year.

### **What happens to dividends and capital gains I receive on my 403(b) investment?**

Any dividends and capital gains you receive on your American Century Investments shares are reinvested; that is, they are used to purchase additional shares for you. Please see the fund's prospectus for complete details on dividends and capital gains.

### **Is there a fee for my 403(b) custodial account?**

Your 403(b) assets are held in a custodial account by the Custodian, State Street Bank and Trust Company. The following annual custodial fees will apply if your eligible investments at American Century Investments total less than \$10,000:

- If your 403(b) custodial account is invested in no-load shares, you will be charged \$15 *per fund* annually.
- If your 403(b) custodial account is invested in load shares, you will be charged a \$15 annual fee.

The custodial fee is waived if your eligible investments total \$10,000 or more. We will calculate your total eligible investments based on the fund prices as of the close of business the previous business day. The custodial fee will be deducted automatically each year on the second Friday in November. If the total value of your investments is less than \$10,000 at that time, we will redeem shares to pay the fee. No bill will be sent. If you prefer to prepay your custodial fee, call American Century Investments for details on prepaying the fee.

If your employer's 403(b) plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), the custodial fee is waived if your employer has notified American Century Investments of the plan's ERISA status.

In determining your total eligible investments, we will include all personal accounts registered under your Social Security number. Personal accounts include individual, joint, UGMA/UTMA, personal trusts, Coverdell Education Savings Accounts, Traditional, Rollover, Roth, SEP, SARSEP and SIMPLE IRAs, 403(b) and governmental 457(b) custodial accounts, but no other retirement accounts.

If you are a joint owner or custodian of an account listed under someone else's Social Security number, we will calculate those assets as part of that person's eligible investments, rather than yours.

## **Contributions and Limits**

### **How are my contributions made?**

Generally, contributions are made on a pre-tax basis from salary deferrals. However, if your employer's 403(b) plan allows them, you may also be able to make Roth elective deferrals, which are after-tax contributions made through salary reduction. Check with your employer or 403(b) plan document to determine if these or other contributions are authorized.

### **Can I also contribute to an IRA if I have a 403(b) custodial account?**

If you're eligible to make IRA contributions, you can contribute to a Roth or Traditional IRA in addition to your 403(b). While contributions to a Roth IRA are not tax deductible, you may be able to deduct all or a portion of contributions made to a Traditional IRA.

### **What are the contribution limits for my 403(b) custodial account?**

The basic annual salary deferral contribution limit, which is based on the sum of both your pre-tax salary deferrals and Roth elective deferrals, is the lesser of:

- The Section 402(g) limit — This is the annual limit on the amount you can contribute through salary deferral to all 403(b) plans, as well as plans sponsored by other employers, or
- 100% of your compensation.

If your employer's 403(b) plan also includes employer contributions, the limit on all contributions, including the total of all salary deferral and employer contributions, is the lesser of:

- The Section 415(c) limit (otherwise known as the limit on annual additions), or
- 100% of your compensation.

The IRS sets the maximum contribution limits each year. Find the contribution limits for the tax year in which you are investing at [irs.gov](https://www.irs.gov).

### **Are there any special catch-up elections available to me?**

Yes, if your employer's 403(b) plan permits. If you have worked for certain types of employers for at least 15 years or you are at least 50 years old, you may elect one or more alternative limitations on your 403(b) contributions. These alternative limitations, described in this section, include the "15-year catch-up" and the "age 50 catch-up." Below are brief summaries of the limitations. Please consult your employer or tax advisor for more detail to determine whether you qualify for catch-up contributions.

**15-Year Catch-Up.** If you have completed at least 15 years of service with the same qualified employer (such as a public or private school, hospital, home health service agency, health and welfare service agency, church or church-related organization), you

may be eligible for the 15-year catch-up limitation. Under this limit, you may qualify for an increase of up to \$3,000 in the annual Section 402(g) limit for a maximum of five years. Under this catch-up election, your Section 402(g) limit for a calendar year may be increased by the lesser of the following three amounts:

- \$3,000;
- \$15,000, reduced by any prior contributions made under this same catch-up election; or
- \$5,000 multiplied by your years of service with your employer, reduced by all of your prior elective deferral contributions

**Age 50 Catch-Up.** If you are at least age 50, you may be eligible to make age 50 catch-up contributions to your 403(b) custodial account.

The IRS sets the maximum age 50 catch-up contribution limit each year. Find the age 50 catch-up contribution limit for the tax year in which you are investing at [irs.gov](https://www.irs.gov).

### **Can I make both 15-year catch-up and age 50 catch-up contributions in the same year?**

If you are at least 50 years old and have worked for a qualified employer for 15 years or more, you may be eligible to make both types of catch-up contributions for a given year if your employer's 403(b) plan permits each type of catch-up contribution. However, you must make the maximum 15-year catch-up contribution first before making any age 50 catch-up contributions.

### **What happens if I contribute more than the allowable limit?**

If you contribute more than the amount allowed, your options for removing the excess depend on various factors, which are described later in this booklet under "Contributions Over the Allowable Limit." Tax penalties may apply to the excess amount and, in some cases, to the money earned on the excess amount. Those penalties are also discussed under "Contributions Over the Allowable Limit."

### **Am I required to contribute a minimum amount to my 403(b) custodial account?**

American Century Investments does not impose a minimum contribution amount, although your employer's 403(b) plan may authorize the plan administrator to establish an annual minimum deferral amount. Please check your 403(b) plan document or ask your employer if such a minimum applies.

## **Making Changes to Your 403(b) Custodial Account**

### **What if I decide I want to change the fund into which my contributions are being invested?**

To redirect contributions being made to your 403(b) custodial account, first review the new fund by reading its prospectus. To change your investment instructions, referred to as allocations, you may call American Century Investments or update your instructions online at [americancentury.com](https://www.americancentury.com).

### **What if my investment objectives change? Can I move my money from one fund to another?**

Yes. You may exchange your money between funds anytime you choose. You may send your request in writing or exchange shares by telephone. You also may request access to our Automated Information Line or online services at [americancentury.com](https://www.americancentury.com) to exchange shares or change allocations 24 hours a day.

## **What if I want to change the amount of my salary reduction?**

Inform your employer of any changes in the amount you want to invest in your 403(b) custodial account. Organizations differ on how they handle the salary reduction agreement from year to year. Check with your employer to determine how frequently you may change the amount and if you need to re-execute the salary reduction agreement at least once each year. Many people choose to contribute a certain percentage of their salary instead of a fixed dollar amount, so contributions automatically adjust with a change in salary or job status.

You may discontinue salary deferrals at any time. Your employer will determine when you can start salary reductions again.

## **Transfers and Rollovers**

### **Can I transfer or roll over funds from another 403(b) custodial account or other eligible plan to American Century Investments?\***

Yes, if your employer's 403(b) plan permits. To transfer or roll over funds, first check your 403(b) plan document or ask your employer if your plan permits transfers or rollovers. In most cases, transfers and rollovers require your employer's approval. If your 403(b) plan permits transfers or rollovers, simply call us at 1-800-345-3533 to request the appropriate form(s), or download the form(s) from [americancentury.com](http://americancentury.com).

If you are opening a new American Century Investments 403(b) custodial account, you also must complete a *403(b) Account Application*. If the money you receive from a 403(b) custodial account is paid directly to you first, the IRS generally requires that 20% of the taxable amount of the distribution be withheld as income tax. Even if no tax will be due and you plan to roll over the money within 60 days, 20% of the taxable amount will be withheld and sent to the IRS.

To avoid the 20% withholding from your distribution, you must request that your money be directly rolled over to another employer's 403(b) plan, other eligible retirement plan (such as a 401(k) plan), or an IRA. To make a direct rollover to your active American Century Investments 403(b) custodial account, complete the appropriate *Request to Transfer/Roll Over* form and contact your current custodian or employer for further distribution instructions.

### **How do I transfer or roll over funds from American Century Investments to another 403(b) plan custodial account or other eligible plan?\***

**Transfers.** If you would like to transfer your assets to another 403(b) account, ask your employer if your plan permits transfers to other investment providers or refer to your employer's 403(b) plan document. If you are eligible for a transfer, contact the custodian of the receiving plan to obtain the required forms for the transfer.

**Rollovers.** If you would like to roll over your funds to another eligible plan, check with your employer or refer to your employer's 403(b) plan document to determine if you are eligible to take a distribution from your 403(b) plan. If you are eligible for a distribution, contact us to request a *403(b) Distribution Request* form.

In most cases, transfers and rollovers require your employer's approval. You will also need to check with the receiving plan to verify it will accept the transfer or rollover of your funds.

*\* Rules relating to transfers and rollovers and their tax implications are complex. Before taking any action, you should consult with your tax advisor.*

If you are eligible for a transfer or rollover, contact the custodian of your other custodial account or plan. The custodian will have a form you can complete and return to it to initiate the transfer or rollover from American Century Investments. The custodian will need to send us direct transfer or rollover instructions and a letter of acceptance stating you have established a 403(b) custodial account (or other eligible retirement account) with it and that it will accept the transferred amount for credit to your account. You will receive the fund price as of the business day on which the last of all properly completed documents is received. See "Transferring Your 403(b) Custodial Account to Another Company" later in this booklet for more information.

## **Removing Money from Your 403(b) Custodial Account**

### **When can I take money out of my 403(b) custodial account?**

Just as there are IRS regulations regarding how to contribute to your 403(b) custodial account, there are regulations regarding how and when you can request distributions from your 403(b) custodial account.

A 403(b) custodial account is designed for retirement savings, so if you remove your money before age 59½ and you don't meet certain requirements, a 10% premature distribution penalty tax may apply. If your employer's plan permits, you may remove all or any part of your money without penalty beginning at age 59½. However, you will owe taxes on any pre-tax contributions you made to the plan. Your Roth elective deferrals and any associated earnings are eligible for tax-free withdrawal if your Roth account has been open for at least five years and you are at least 59½ years of age. In most cases, you must begin taking payments from your custodial account no later than the April 1 following the calendar year in which you have a severance from employment or reach age 70½, whichever occurs later.

You also may take distributions from your 403(b) custodial account before age 59½ if you have severed from employment, become disabled, made an excess contribution to the account, or encountered certain financial hardships (if your employer's plan permits hardship distributions). Distributions from your custodial account also may be made to your Beneficiaries in the event of your death.

**Loans.** Loans are not available from your American Century Investments 403(b) custodial account.

Other qualifying events may be available in your particular 403(b) plan. Check with your employer to determine if you satisfy the requirements for a qualifying event.

### **How do I remove money from my 403(b) custodial account?**

You can remove money from your 403(b) custodial account only by completing a *403(b) Distribution Request* form, which may be obtained by calling American Century Investments or by downloading it from [americancentury.com](http://americancentury.com). Contact your employer to determine if you are required to complete additional forms.

**In most cases, your distribution request must be approved by your employer or a third party administrator (TPA) appointed by your employer.** Check with your employer or American Century Investments before requesting a distribution.

For additional information about the timing of 403(b) distributions, see "Timing of Distributions from Your 403(b) Custodial Account" later in this booklet.

## **Will there be taxes withheld from my distribution?**

The IRS requires that 20% be withheld as federal income tax from any taxable 403(b) plan withdrawal that is eligible for a rollover to another employer's 403(b) plan, other eligible retirement plan, or IRA.

In addition, American Century Investments will also withhold the applicable amount of state income tax if, at the time of your withdrawal, you live within one of the mandatory withholding states. To avoid the 20% federal and any applicable state income tax withholding, you must request that your money be directly rolled over to another employer's 403(b) plan, other eligible retirement plan, or an IRA.

## **What payment options are available when I take money out of my 403(b) custodial account?**

You can choose one of the following options:

1. A lump-sum distribution of all or a portion of your 403(b) custodial account.
2. Installment payments over your life expectancy.
3. Installment payments over the joint life expectancies of you and your Beneficiary.
4. If you do not want to extend installment payments over your life expectancy, you may choose a shorter, specific period that does not exceed either your life expectancy or the joint life expectancies of you and your Beneficiary. For example, if your life expectancy is 20 years, you may choose to receive payments over the entire 20 years or a shorter period of time, such as 10 years.

You can request your money by check, or if previously authorized, by electronic funds transfer to your bank account. You also can have your distribution reinvested into a regular investment account (i.e., a non-retirement account), instead of having the proceeds sent to you.

## **Can you send me regular monthly payments from my 403(b) custodial account?**

If you are eligible for a distribution, you can choose to have automatic monthly cash payments (minimum \$50) paid to you through American Century Investments' Automatic Redemption Plan. Shares can be redeemed any day of each month (except weekends and holidays) and sent to you by check or electronically to your bank account, generally on the following business day. Or, you can have the amount automatically transferred at regular intervals into a regular investment account (i.e., a non-retirement account) at American Century Investments. Call us for instructions on setting up an Automatic Redemption Plan.

**You may owe a 10% premature distribution penalty on the amount withdrawn via our Automatic Redemption Plan if you begin distributions before age 59½.**

## **Naming Beneficiaries**

### **How do I name Beneficiaries?**

You can name primary and secondary Beneficiaries to whom the balance of your 403(b) custodial account will be paid when you die by completing the "Designation of Beneficiary" section of a *403(b) Account Application*, a *Designation of Beneficiary* form, or by updating your Beneficiary information through your personal account online at [americancentury.com](http://americancentury.com). You may also do so by completing a form provided by an administrator appointed by your employer, provided the form provides us with sufficient information to process any distributions from your account. It will be invalid if we

determine it does not. Review your Beneficiary designation periodically, especially if there is a change in your family status, such as marriage, divorce, death of a family member, or birth or adoption of children.

You may change your Beneficiary at any time by completing a new form or updating your Beneficiary information online at [americancentury.com](http://americancentury.com). Any new designation will revoke any prior designations on your 403(b) custodial account. After your death, your Beneficiary has the same right to name Beneficiaries as you had before your death.

If you do not name Beneficiaries, or if all your Beneficiaries die before you, the Custodian will pay your 403(b) custodial account to your spouse first. If you have no spouse, then the money will go to your surviving children. If you have no surviving children, the money will be paid to your estate.

### **How can I learn more?**

In addition to this Questions and Answers section, you will find more in-depth information in the Additional Information You Should Know section below and the 403(b) Custodial Agreement, which is included in this booklet. In addition, you may want to obtain IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)* from your local IRS office by calling 1-800-829-3676 or by downloading the document at [irs.gov](http://irs.gov).

If you have specific questions about your tax situation, contribution limits or retirement planning, consult your attorney, tax advisor or the IRS.

## **Additional Information You Should Know**

### **Contributions Over the Allowable Limit**

If you contribute more than the amount allowed in any one year, you (or in some cases, your employer) may request that the excess amount be removed as an excess contribution.

#### **Remove the excess amount**

If you or your employer determine that an excess amount must be removed from your 403(b) custodial account, American Century Investments must receive the request on a *403(b) Distribution Request* form. Such a request may be made by you, your employer, or an administrator appointed by your employer. Excess deferrals (and any associated earnings) may be removed no later than April 15 of the year following the year the excess deferral was made.

If the excess is removed prior to December 31 of the current year, the excess amount and any interest or other income earned on the excess will be taxable to you for that year. If you remove the excess after December 31, consult your tax advisor or the IRS to determine the tax treatment of the excess contribution.

#### **Tax penalties**

If the excess is removed prior to December 31 of the current year, no penalties will be assessed. If the excess is removed after December 31, the penalties, if any, depend on which limit you exceeded. Consult your tax advisor or the IRS to determine if any penalties apply to the excess.

## Timing of Distributions from Your 403(b) Custodial Account

### Distributions before age 59½

You may remove all or any part of your 403(b) account at any time before age 59½ if you have severed from employment. You will generally owe 10% of the taxable amount taken out, as a premature distribution penalty tax, unless one of the following applies:

1. You are permanently and totally disabled.
2. The amount you take out is rolled over into an IRA, another employer's 403(b) plan, or another eligible retirement plan.
3. The amount is part of a series of equal payments based on your life expectancy or the joint life expectancies of you and your Beneficiary.
4. The amount is used to pay certain medical expenses.
5. You stopped working for the employer who made the plan available on or after attaining age 55.

Refer to the *Special Tax Notice* accompanying your *403(b) Distribution Request* form for more information before requesting a distribution.

### Distributions beginning at age 59½

If your employer's 403(b) plan permits, you may remove all or any part of your 403(b) proceeds at any time beginning at age 59½ without penalty. You will owe regular income tax on all distributions except on qualified distributions from your Roth elective deferral account and any nondeductible voluntary contributions. This is because you have already paid taxes on any Roth elective deferral and/or nondeductible voluntary contributions.

### Distributions after age 70½

You must begin taking a minimum distribution from your 403(b) custodial account when you reach 70½ or retire, whichever is later. In the first year, you can delay taking your distribution until April 1 of the year after you reach 70½ or retire. After that, you must take your minimum distribution by December 31 of each year. If you decide to delay your first distribution (i.e., take it between January 1 and April 1 of the year after you reach age 70½), you must take and pay taxes on your distribution for both the current and the prior year in the same year.

The amount you must receive is based on the combined life expectancies of you and your Beneficiary. Life expectancies are calculated using actuarial tables published by the IRS. If you don't take out at least the minimum amount in any year, the IRS imposes a penalty of 50% of the difference between the minimum amount you were supposed to take out and the actual amount you removed.

Example: If the minimum amount you were supposed to remove was \$500, and you took out only \$300, the IRS may impose a \$100 penalty  $[(\$500 - \$300) \times 50\% = \$100]$ .

## Financial hardship

If your employer's 403(b) plan permits, you may be eligible to take money from your 403(b) custodial account in times of financial hardship, even if you haven't reached age 59½. The amount you can take out is limited to the amount of your salary deferral contributions, not including earnings on the investments, or the amount necessary to meet your financial hardship, whichever is less. You must meet certain requirements to do this and certify to your employer that you have met those requirements.

You may owe a premature distribution penalty tax of 10% of the amount taken out, unless one of the exceptions listed under "Distributions before age 59½" above applies.

## Requesting Money from Your 403(b) Custodial Account

All requests for distributions from your 403(b) custodial account must be received in writing on American Century Investments' *403(b) Distribution Request* form. You may obtain this form by calling American Century Investments or by downloading the form from [americancentury.com](http://americancentury.com). Distribution requests generally must be approved by your employer or a TPA appointed by your employer. Contact your employer or TPA to obtain the appropriate signature approvals before requesting a distribution from your 403(b) custodial account.

Keep in mind, any distribution received from your 403(b) custodial account that is eligible for rollover to another employer's 403(b) plan, other eligible retirement plan, or IRA is subject to federal income tax withholding at the rate of 20%, plus any applicable state income tax withholding. You cannot elect to waive the mandatory 20% federal and any applicable state income tax withholding. However, if you request that your distribution be directly rolled over to another employer's 403(b) plan, other eligible retirement plan, or IRA, the 20% federal and any applicable state income tax withholding will not apply.

## Distributions not eligible for rollover

If the distribution you receive is not eligible for rollover, it is subject to federal income tax withholding at the minimum rate of 10% unless you provide instructions not to withhold. American Century Investments will withhold state tax if, at the time of your payment, your address is within one of the mandatory withholding states and you have federal income tax withheld (or as otherwise required by state law). State taxes will be withheld from your distribution in accordance with the respective state's rules.

Some distributions not eligible for rollover include:

1. Required minimum distributions.
2. Distributions received by participants who are receiving distributions over their life expectancy or the joint life expectancy of the participant and the designated Beneficiary.
3. Distributions received over a specified period of at least 10 years.
4. Distributions made due to a financial hardship.
5. Corrective distributions of excess contribution amounts.

If your distribution falls within one of these categories, you must file either IRS Form W-4P with American Century Investments or elect to not have taxes withheld on your *403(b) Distribution Request* form. If you do not provide us with Form W-4P or a written statement, American Century Investments is required to withhold 10% of the amount of the distribution and send it to the IRS.

## How your Beneficiaries may receive money after your death

If you die before reaching age 70½, or after reaching age 70½ but before your minimum payments have begun, your Beneficiary has the following options\*:

1. The entire 403(b) custodial account can be paid to the Beneficiary in a lump sum;
2. The Beneficiary can receive installment payments over his or her life expectancy. Payments must begin by December 31 of the year following your death or, if the Beneficiary is your spouse, he or she can begin receiving payments in the year you would have reached 70½, if it's later; or
3. If certain requirements are met, a non-spousal Beneficiary may roll over the assets to an IRA, or a spousal Beneficiary may roll over the assets to another employer's 403(b) plan, other eligible retirement plan, or IRA.

*\* Your Beneficiary should consult a tax advisor to determine which option is most suitable to their specific circumstances.*

If you die after your required minimum payments have begun, the balance of your 403(b) custodial account may be paid to your Beneficiary based on the Beneficiary's single life expectancy as determined by current IRS actuarial tables. If this option is chosen, the first payment must be made by December 31 of the year following the year of your death.

If you have more than one Beneficiary, each Beneficiary may choose his or her own form of benefit payment. No distribution will be made to your Beneficiary until American Century Investments has received a certified copy of the death certificate, proper written instructions on the method of distribution requested with the Beneficiary's signature guaranteed (if required), and federal income tax withholding instructions on an IRS Form W-4P. Each Beneficiary must pay ordinary income tax on the taxable amount received.

## Forms to file

Generally, you don't have to file any special forms with the IRS for your 403(b) custodial account. However, you must file Form 5330, Return of Excise Taxes Related to Employee Benefit Plans if you are required to pay a penalty tax because of an excess deferral. If you take a distribution before age 59½ or an insufficient distribution after age 70½, you may be subject to an additional income tax, which must be reported on IRS Form 5329 and filed with IRS Form 1040.

## Transferring Your 403(b) Custodial Account to Another Company

You can transfer your 403(b) custodial account from American Century Investments to another company in one of the following two ways. You will receive the fund price as of the business day on which American Century Investments receives the last properly completed document.

### Direct transfers

Contact the custodian of your other 403(b) custodial account. The custodian may have forms you can use to provide the required information, and often it saves time if you use the form. If a form isn't available, send a letter to American Century Investments stating you wish to transfer all or a portion of your 403(b) custodial account to another custodian.

If you are transferring your assets within the same employer's 403(b) plan, the receiving investment provider must be an approved provider for transfers within your employer's 403(b) plan. If you are transferring your assets from one employer's 403(b) plan to another employer's 403(b) plan in a plan-to-plan transfer, both employers must approve the transfer.

Include the following information:

- The name of the American Century Investments fund(s) in which your 403(b) custodial account amounts are invested.
- Your name and address.
- The name and address of the new custodian.
- The name of the mutual fund(s) you are transferring to, if applicable.
- The plan name and account number of your new 403(b) custodial account.
- Your signature.
- Employer or TPA approval signature.
- A letter of acceptance from the new custodian.

**IMPORTANT:** The 403(b) plan must permit transfers and you must include a letter of acceptance from the new custodian.

### **Rollovers**

See “Requesting Money from Your 403(b) Custodial Account” earlier in this booklet for distribution instructions. If you're eligible for a rollover, request a distribution on our *403(b) Distribution Request* form and return it to American Century Investments with a letter of acceptance from the new custodian. Upon receipt of both documents, American Century Investments will send your distribution to the new custodian.

### **Additional Tax Information**

This Custodial Agreement is designed to conform to regulations covering custodial accounts established under Code Section 403(b)(7). Generally, pre-tax salary deferral contributions to a 403(b) custodial account are subject to current Social Security (FICA) tax, but are not subject to federal and most state and local income taxes until actually distributed to you. After-tax deferrals to a Roth 403(b) account will be subject to federal, state and local income taxes, as well as Social Security (FICA) taxes, at the time such deferrals are made to the account.

Because of the legal and tax implications of any retirement program, this 403(b) custodial account should be adopted only upon the advice and approval of counsel or your tax advisor.

### **Contact Information**

All correspondence to the Custodian or to American Century Investments should be directed to:

American Century Investments  
P.O. Box 419385  
Kansas City, MO 64141-6385  
1-800-345-3533 (international calls: 816-340-4999)  
Fax: 888-327-1997

# American Century Investments 403(b) Custodial Agreement

## State Street Bank and Trust Company, Custodian

### Article I: Introduction

- A. **Establishment of Custodial Account.** This Agreement is intended to establish a 403(b) Custodial Account meeting the requirements of Code Section 403(b)(7) and any other applicable requirements of the Code and applicable Treasury regulations issued thereunder, and, to the extent applicable, the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and applicable Department of Labor regulations thereunder. This Agreement and the Account Application will be interpreted and administered so as to carry out such intent.

Except to the extent otherwise required under Code Section 403(b) and regulations thereunder, the Account Application signed by the Employee and accepted by State Street Bank and Trust Company as Custodian and this Agreement (which is incorporated by reference into the Account Application), as either may be amended from time to time, are the legal documents governing the Custodial Account.

This Agreement is not binding upon the Custodian until the Employee has received a statement confirming the initial account set up and/or initial transaction for the Custodial Account. Receipt by the Employee of a confirmation of the initial account set up and/or initial purchase of the Fund shares will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Employee's Custodial Account. As more fully described in Article IV, the Custodian shall invest all contributions in the Custodial Account as designated by the Employee.

- B. **Effective Date.** This Agreement will become effective on the date on which the Custodian accepts the Account Application signed by the Employee. Such acceptance is indicated by the Custodian (or its agent) opening the Custodial Account for the Employee's benefit, which will occur on the date when the Custodian receives and accepts a contribution to the Custodial Account. If all required forms and information are properly submitted, State Street Bank and Trust Company will accept appointment as Custodian of the Custodial Account. However, this Agreement (and the Account Application) is not binding upon the Custodian until the Employee has received a statement confirming the initial account set up and/or initial transaction for the Custodial Account. Receipt by the Employee of a confirmation of the initial account set up and/or purchase of Fund shares for the Custodial Account as directed in the Employee's Account Application will serve as notification of State Street Bank and Trust Company's acceptance of appointment as Custodian of the Custodial Account.

## Article II: Definitions

- A. **Account Application** means the 403(b) application signed by the Employee to accompany and adopt this Custodial Account.
- B. **Agreement** means this American Century Investments 403(b) Custodial Agreement.
- C. **American Century** means American Century Services, LLC.
- D. **Authorized Agent** means any individual or entity authorized by the Employer to act on its behalf in the administration of the Plan.
- E. **Beneficiary** has the meaning assigned in Article IX.
- F. **Code** means the Internal Revenue Code of 1986, as it may be amended from time to time or any successor statute enacted in lieu thereof. Reference to any provision of the Code includes reference to any replacing provision or to any similar provision in a successor statute.
- G. **Custodial Account** means the account established under the terms of this Agreement for the benefit of the Employee.
- H. **Custodian** means State Street Bank and Trust Company. Where the Custodian has delegated duties to an agent of Custodian, including but not limited to American Century, the term Custodian shall also refer to such agent.
- I. **Distributor** means the entity which has a contract with the Fund(s) to serve as distributor of the shares of such Fund(s). In any case where there is no Distributor, the duties assigned hereunder to the Distributor may be performed by the Fund(s) or by an entity that has a contract to perform management or investment advisory services for the Fund(s).
- J. **Employee** means the individual who signed the Account Application to establish the Custodial Account.
- K. **Employer** means the Employer of the Employee and the sponsor of the Plan. The Employer must be
  1. an organization described in Code Section 501(c)(3) exempt from taxation under Code Section 501(a), or
  2. a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state, or
  3. the minister (if self-employed) or the entity employing a minister and with whom the minister shares common religious bonds, or
  4. a public school, university or college, or
  5. any other entity eligible to establish a Plan under Code Section 403(b).
- L. **Fund** means any mutual fund or investment company registered under the Investment Company Act of 1940, as amended, which is advised, sponsored or distributed by American Century Investment Management, Inc. or any of its affiliated companies, that are authorized by American Century for the investment of contributions to the Plan. In addition, if so elected by the Employer and only for purposes of investing contributions to a Custodial Account, "Fund" shall also include any mutual fund investment options available under the Schwab Personal Choice Retirement Account® (PCRA) self-directed brokerage account option.

- M. **Money Market Fund** means a Fund selected by American Century or any of its affiliated companies that seeks to maintain a \$1 share price by investing in high-quality (two highest short-term categories), very short-term (60 days or less weighted average maturity) debt obligations of banks, governments, and corporations.
- N. **Plan** means the Employer's 403(b) program or arrangement under Code Section 403(b) and applicable Treasury regulations which Employer maintains and operates pursuant to a written document.
- O. **Required Beginning Date** has the meaning assigned in Article V, Section B, subsection 4.

## Article III: Contributions

- A. **Establishment of Custodial Account.** The Custodian will open and maintain the Custodial Account in the name of the Employee. The Employee's interest in the Custodial Account will be nonforfeitable at all times.
- B. **Salary Reduction Contributions.** In connection with the Custodial Account, the Employee and the Employer may enter into a salary reduction agreement, and the Employer will contribute to the Employee's Custodial Account all amounts by which the Employee's salary is reduced under such salary reduction agreement. Any salary reduction agreement between the Employer and the Employee will be effective only as to amounts earned by the Employee after such agreement becomes effective. A salary reduction agreement may not be retroactively revoked or modified with respect to amounts already earned by the Employee.

Either the Employee or the Employer may terminate a salary reduction agreement at any time, subject to the terms of the Plan. Following termination of a salary reduction agreement, the Employee may reinstate his or her salary reduction agreement or may enter into a new salary reduction agreement with the Employer. The Employee may modify the salary reduction agreement at any time. However, the Employer may impose reasonable restrictions on the frequency with which the Employee may terminate, reinstate or modify a salary reduction agreement. Any termination, reinstatement or modification will relate only to compensation not yet earned, and not to compensation already earned, by the Employee as of the effective date of such termination, reinstatement or modification.

- C. **Designated Roth Contributions.** If permitted under the terms of the Employer's Plan and if so provided in the Account Application (or in procedures adopted by the Custodian), the Employee may make Code Section 403(b) elective deferral contributions in accordance with Treasury Regulation Section 1.403(b)-3(c) which requires (i) the Employee irrevocably designates the contribution at the time of the salary reduction agreement as a designated Roth contribution that is being made in lieu of all or a portion of the Code Section 403(b) elective deferral contributions that the Employee is otherwise eligible to make under the plan, (ii) such contributions are treated by the Employer as includible in the Employee's gross income at the time the Employee would have received the amount in cash if the Employee had not entered into the salary reduction agreement and (iii) such contributions shall be maintained in a separate subaccount by the Custodian. Designated Roth contributions made hereunder shall be subject to the same requirements as applicable to salary reduction contributions, including the distribution restrictions of Treasury Regulation Section 1.403(b)-6(d) and the minimum required distribution rules of Code Section 401(a)(9) and regulations thereunder.

## D. Employer Contributions.

1. The Employer may make Employer contributions to the Custodial Account pursuant to the terms of the Plan.

The Custodian shall not be responsible for the timing of or for determining the amount of contributions the Employer may make on behalf of an Employee, nor shall the Custodian be responsible in any way to compel an Employer to make contributions to an Employee's Custodial Account.

2. **Employer Contributions to former Employees.** If an Employee retires or leaves the employ of the Employer for any reason other than death, the Employer shall make no further contributions to the Custodial Account on such Employee's behalf, except as provided in the Plan with respect to (i) amounts paid after severance from employment (including those described in Treasury Regulation Sections 1.415(c)-2(e)(3)(i), 1.415(c)-2(e)(4), 1.415(c)-2(g)(4) and 1.415(c)-2(g)(7)) and considered to be compensation within the meaning of Code Section 415(c)(3), or (ii) amounts permissibly contributed under Treasury Regulation Section 1.403(b)-4(d).

No contributions shall be accepted by the Custodian or Distributor on and after the date such Distributor no longer makes its Funds available for contributions to this Custodial Account.

## E. Transfers and Rollovers to Custodial Account.

1. **Transfers to Custodial Account.** Subject to the terms of the Plan, the Employee may, in a form acceptable to Custodian, direct a transfer to the Custodial Account from an existing custodial account described in Code Section 403(b)(7) or an annuity contract described in Code Section 403(b)(1) which meets the requirements of Treasury Regulation Section 1.403(b)-3(a) (a "Code Section 403(b) contract"). Transfers must be in cash. With respect to a transfer of a Code Section 403(b) contract within the same Employer Plan to the Custodial Account, the Custodian will only accept such transfer if an information sharing agreement is entered between American Century and the Employer under which the Employer and American Century will from time to time in the future provide each other with information concerning the Employee's employment, information that takes into account other Code Section 403(b) contracts or qualified employer plans (such as information related to distribution restrictions and hardship withdrawals), and information necessary to satisfy other tax requirements, or the Employer has designated American Century as an approved 403(b) service provider to receive contributions under the Plan (or otherwise in accordance with Treasury Regulation Section 1.403(b)-10(b) and any other applicable regulations or guidance). No transfers to the Custodial Account shall be accepted on and after the date the Distributor no longer makes its Funds available for transfers to this Custodial Account.
2. **Rollovers to Custodial Account.** Subject to the terms of the Plan, the Custodian will accept cash rollover contributions from the Employee provided such amount constitutes a rollover amount under Code Section 403(b)(8), an eligible rollover distribution under Code Section 402(c)(4) or Code Section 401(a)(9)(H) (as applicable), a rollover amount under Code Section 457(e)(16), or a rollover contribution under Code Section 408(d)(3)(A) (or other applicable Code section). Rollover contributions that include designated Roth contribution amounts will be accepted only if Employees are permitted to make designated Roth contributions to the Plan, including in-plan Roth rollover contributions under Code Section 402A(c)(4). No rollovers to the Custodial Account shall be accepted by the Custodian or Distributor on and after the date such Distributor no longer makes its Funds available for rollovers to this Custodial Account.

3. **In-Plan Roth Rollovers.** Effective on and after January 1, 2011 and subject to the terms of the Plan, an Employee, the surviving spouse of an Employee (or an Employee's former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)), who is entitled to a distribution that is eligible for rollover under Article V may elect, at the time and in the manner prescribed by the Custodian, to take such a distribution from the Custodial Account, other than from a designated Roth account, and contribute such distribution in a qualified rollover contribution to the designated Roth account maintained under the Plan for the benefit of the Employee, surviving spouse or alternate payee for whom the distribution is made. The taxable conversion of non-Roth accounts to Roth accounts shall be done in compliance with Section 2112 of the Small Business Jobs Act of 2010 and related guidance issued thereunder, and Code Section 402A(c)(4).
4. **Conditions for Acceptance of Transfers and Rollovers.** To the extent required by regulations or Internal Revenue Service rulings, transfers will be accepted only if the Employee verifies that the 403(b) custodial account or annuity contract from which the transfer is being made does not contain withdrawal or distribution restrictions that are more restrictive than those contained in this Agreement.

The Employee will be responsible for insuring that any such transfer or rollover to the Custodial Account satisfies the requirements specified in this section and all other applicable provisions of the Code and Treasury regulations in order for the transfer or rollover to be a tax-free transaction. The Employee will also be responsible for providing, or insuring that his or her Employer (or Employer's Authorized Agent) provides, to the Custodian any information concerning any transfer or rollover amount necessary to permit the Custodian to properly administer and/or report distributions from such transfer or rollover amount.

5. **Subaccounts.** If the Custodial Account contains more than one type of contribution, transfer or rollover under this Article III, the Custodian may agree to maintain separate subaccounts showing the amounts held in the Custodial Account derived from contributions under this Article III, or the Custodian may require the maintenance of such separate subaccounts.

#### F. **Limitations on Contributions.**

1. **General Limitations on Salary Reduction, Designated Roth, and Employer Contributions.** Contributions to the Custodial Account under Article III, Sections B, C and D in any taxable year of the Employee may not include any amount which is an excess contribution under Code Section 4973(c) (an "Excess Contribution") or that would exceed the limit on annual additions to the Custodial Account for a limitation year under Code Section 415 as applicable to the Employee and as required by Treasury Regulation Section 1.403(b)-3(a)(9) which is herein incorporated by reference. In addition, salary reduction contributions to the Custodial Account under Article III, Section B plus designated Roth contributions under Article III, Section C for a calendar year may not exceed the elective deferral limit applicable to the Employee for such year under Code Sections 401(a)(30) and 402(g) (taking into account increases to such limit due to changes in the cost of living (to the extent applicable for a particular calendar year) and taking into account such higher limit as the Employee qualifies for under the provisions of Code Section 402(g)(7)). The Employee and Employer shall have the sole responsibility for ensuring that these limitations are satisfied.

2. **Catch-up Contributions.** Subject to the terms of the Plan, if the Employee is age 50 or older by the end of any calendar year, the maximum salary reduction contributions plus designated Roth contributions to the Custodial Account by the Employee for such calendar year will be increased by the amount provided in Code Section 414(v) applicable to such year. In the event an Employee is eligible for both the catch-up contribution under this subsection and the increased elective deferral limit under Code Section 402(g)(7) based on 15 years of service with the Employer, any additional amount contributed as a result of these increased limits shall be treated first as an amount contributed under the increased limit under Code Section 402(g)(7) and then as an age 50 catch-up contribution (to the extent the age 50 catch-up exceeds the amount of increase under 402(g)(7)).
3. **Aggregation.** The limitations under Code Section 402(g) as provided for in this Section F will be determined taking into account any other amounts contributed during such calendar year by the Employee through a salary reduction election (or designated Roth contribution election) under any other arrangement that is subject to the limitations of Code Section 402(g) and/or Code Section 414(v). Except as otherwise required under Code Section 415, including regulations thereunder, the limit on annual additions for a limitation year shall not be aggregated with contributions to a qualified plan of the Employee's Employer. However, in no event can the amount of an Employee's salary reduction (and designated Roth) contributions for a year be more than the Employee's includible compensation (as defined in Code Section 403(b)) for the year.
4. Neither the Custodian nor any affiliate of the Custodian shall be under any obligation to insure that any contributions to the Custodial Account are in compliance with (i) the general limitations on contributions under subsection 1 above, or (ii) the additional limitations on salary reduction (and designated Roth) contributions under subsection 2 above, or to monitor compliance with such limitations or requirements, unless such obligation is expressly undertaken by separate written agreement between the Custodian and the Employer.

## Article IV: Investment of Contributions

- A. **Purchase of Shares.** As soon as is practicable after the Custodian receives a contribution under Article III, it will invest such contribution in shares or fractional shares of one or more Funds in accordance with the Employee's investment instructions provided in a form acceptable to the Custodian. The Custodial Account may be invested in the shares of one or more Funds provided that any investment requirements specified by the Funds' prospectuses are met.

The Employee will specify his or her investment instructions for the initial investment of contributions to the Custodial Account at the same time he or she completes the Account Application for the Custodial Account, and such instructions will remain in effect until the Custodian receives new instructions in a form acceptable to the Custodian. However, if investment instructions for any contribution are not received from the Employee as required, or if any instructions received by the Custodian are incomplete or ambiguous in the judgment of the Custodian, the Custodian may continue to invest contributions to the Custodial Account in accordance with the Employee's most recent investment instructions (if any) until such incompleteness or ambiguity has been resolved to the Custodian's satisfaction; alternatively, the Custodian may return any contributions received for the Custodial Account to the Employee or Employer, (or may invest them in a Money Market Fund or a default Fund selected by the Employer for the Plan, if available), until such instructions

are provided by the Employee or until such incompleteness or ambiguity has been resolved. In either event, the Custodian will have no liability for interest or for loss or changes in investment values of Fund shares which occur pending the Employee's providing proper investment instructions or the resolution of such incompleteness or ambiguity (as the case may be).

All contributions to the Custodial Account shall be invested and reinvested in full and fractional shares of one or more Funds. All such shares shall be held as book entry shares, and no physical shares or share certificate will be held in the Custodial Account. Such investments shall be made in such proportions and/or in such amounts as Employee from time to time in the Account Application or by other written or verbal notice to the Custodian (in such form as may be acceptable to the Custodian) may direct.

- B. **Dividends and Capital Gains.** The Custodian will invest all dividends and capital gains or other distributions received on the shares of a Fund held in the Custodial Account in additional shares and fractional shares of that Fund.
- C. **Change of Investments.** Subject to any investment requirements applicable to a Fund as specified by the Fund's prospectus, the Employee (or his or her Beneficiary, if the Employee is deceased) may at any time direct the Custodian to redeem all or a specified portion of the shares of a Fund in the Custodial Account and to invest the net redemption proceeds in shares and fractional shares of one or more other Funds.

The Employee (or Beneficiary) will give such directions in a form acceptable to the Custodian, and the Custodian will process such directions as soon as practicable after receipt thereof. If any such directions are incomplete or ambiguous in the judgment of the Custodian or otherwise not in good order, the Custodian will refrain from carrying out any transactions until such incompleteness or ambiguity or other defect has been resolved to its satisfaction, without liability for any loss or change in investment values of Fund shares which occur pending the resolution of such incompleteness or ambiguity.

Any sales or redemption fee or other charge payable in connection with any redemption will be paid from the Custodial Account.

In the event that any Fund held in the Custodial Account is liquidated or is otherwise made unavailable by the Distributor of such Fund as a permissible investment for the Custodial Account hereunder, the liquidation or other proceeds of such Fund shall be invested in accordance with the instructions of the Employee. If the Employee does not give such instructions, or if such instructions are unclear or incomplete in the opinion of the Custodian, the Custodian may invest such liquidation or other proceeds in such other Fund (including a Money Market Fund) as the Distributor designates, and provided that the Distributor gives at least thirty (30) days advance notice to the Employee (or his or her Beneficiary, if Employee is deceased). In such case, neither the Distributor nor the Custodian will have any responsibility for such investment.

- D. **Others Who May Give Instructions.** Any instructions concerning the purchase of shares or changes of investments under Section A or C of this Article IV may be given by the Employee's Beneficiary following the Employee's death (or if there is no surviving Beneficiary, by the executor or administrator of the Employee's estate).

In addition, the Employee (or, following the Employee's death, the Beneficiary or, if none, the executor or administrator of the Employee's estate) may, by written instructions in a form acceptable to the Custodian, authorize an agent or investment advisor to act on his or her behalf in giving instructions to the Custodian concerning the purchase of shares or change of investments under Section A or C of this Article IV, and the Custodian will be fully protected in following the instructions of such authorized agent or investment advisor. The Employee's (or Beneficiary's)

appointment of any such agent or investment advisor will also be deemed to be instructions to the Custodian to pay such agent's or investment advisor's fees from the Custodial Account hereunder without additional authorization by the Employee (or Beneficiary).

## Article V: Distributions

- A. **Instructions to Custodian.** The Custodian will process written directions from the Employee to make withdrawals in accordance with Section B below. However, the Employee must provide the Employer or Authorized Agent with sufficient information in its judgment to insure that withdrawals directed by the Employee comply with the requirements of this Article V and the terms of the Plan. No withdrawals will be processed upon the death of the Employee unless the Custodian has been notified in writing of the Employee's death in a form acceptable to the Custodian, and the Custodian has been provided with verification of such death which is adequate in its judgment.
- B. **Withdrawals by Employee.** The Employee may, upon approval by the Employer or Authorized Agent, make withdrawals from the Custodial Account at the time(s) directed by the Employee on a form or other written directions acceptable to the Custodian, subject to the provisions of this section and the terms of the Plan. Notwithstanding the foregoing, to the extent this Custodial Account was established prior to January 1, 2009 and is treated by the Employer as not part of its Plan (and is eligible to be so treated) pursuant to Internal Revenue Service Revenue Procedure 2007-71 and any other applicable guidance or regulations, the Employee may provide direction for withdrawals from the Custodial Account without approval by the Employer or Authorized Agent in a form acceptable to the Custodian.
1. **Events Permitting Withdrawal.** No withdrawal of amounts consisting of salary reduction contributions under Article III, Section B or designated Roth contributions under Article III, Section C may be made from the Custodial Account before the earliest of:
- a. the date the Employee reaches age 59½;
  - b. the date the Employee separates from service with the Employer for any reason, including retirement and death;
  - c. the date the Employee becomes disabled within the meaning of Code Section 72(m)(7); The Custodian may require the Employee to furnish a certificate of a licensed physician stating that the Employee is so disabled or may require the Employee to provide satisfactory evidence that the Employee has been awarded Social Security disability benefits before processing any withdrawals on account of the Employee's disability;
  - d. the termination of the 403(b) arrangement as provided in Article XI;
  - e. the date the Employee encounters financial hardship within the meaning of Code Section 403(b)(7)(A)(ii) and applicable Treasury regulations and the provisions of this subsection e. The Employee must provide to the Employer or Authorized Agent adequate verification and/or documentation of the existence of the Employee's financial hardship and the amount needed to meet the financial hardship as the Employer or Authorized Agent determines; or

- f. the date an excess contribution is made to the Employee's Custodial Account within the meaning of Code Section 4973.

Hardship Withdrawals. If so provided in the Plan, the Employee may request a hardship withdrawal in a form acceptable to the Custodian. The Employee must certify to the Employer or Authorized Agent that the withdrawal is needed to meet one of the following situations:

- (1) Expenses for medical care described in Code Section 213(d) previously incurred by the Employee, the Employee's spouse, designated Beneficiary, or any dependents of the Employee or necessary for these persons to obtain such medical care;
- (2) Costs directly related to the purchase of a principal residence for the Employee (excluding mortgage payments);
- (3) Payment of tuition, related educational fees, and room and board expenses, for the next 12 months of post-secondary education for the Employee, or the Employee's spouse, designated Beneficiary, children, or dependents;
- (4) Payments necessary to prevent the eviction of the Employee from the Employee's principal residence or foreclosure on the mortgage on that residence;
- (5) Payments for burial or funeral expenses for the Employee's deceased parent, spouse, designated Beneficiary, children or dependents (as defined in Code Section 152 and without regard to Code Section 152(d)(1)(B)); or
- (6) Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction under Code Section 165 (without regard to whether the loss exceeds 10 percent of adjusted gross income).

In addition, the Employee must certify and agree that:

- (a) The withdrawal is not in excess of the amount of the immediate and heavy financial need of the Employee. (The amount of an immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the withdrawal.)
- (b) The Employee may not make any salary reduction contributions or designated Roth contributions to the Custodial Account (or to any other plan maintained by the Employee's Employer for a period of 6 months after receiving the hardship withdrawal).

A financial hardship withdrawal under subsection 1.e above may not include any earnings or investment gains on the salary reduction contribution amounts or designated Roth contribution amounts while held in the Custodial Account. The Employer or Authorized Agent will make final determination of a financial hardship and shall notify the Custodian of a financial hardship withdrawal.

For purposes of subsection 1.b above, an Employee who transfers from his or her Employer to another entity within the Employer's controlled group (as defined in Code Section 414(b) or (c) as applicable to tax exempt organizations) which is not an eligible Employer, the Employee shall be considered as having terminated service with the Employer.

2. **Withdrawals from Other Contributions.** Except as otherwise restricted under Article III, Section E, withdrawals of amounts consisting of rollovers or transfers (and any earnings thereon) may be made from the Custodial Account at the Employee's election (subject to the minimum distribution or other applicable requirements of this Agreement).
3. **Withdrawal of Excess Contributions or Deferrals.** If for any taxable year, any portion of the contributions to the Custodial Account is an excess contribution under Code Section 4973, the Employee and/or Employer or Authorized Agent, as applicable, may, in a form acceptable to the Custodian, instruct the Custodian to pay such amount (plus earnings) to the Employee and the Custodian will process such withdrawal (subject to applicable distribution requirements of this Agreement).

If, on or before March 1 following the close of a calendar year, the Employee and/or Employer or Authorized Agent, as applicable, notifies the Custodian in writing in a form acceptable to the Custodian that an amount in the Custodial Account constitutes a deferral (including salary reduction and designated Roth contributions) in excess of the applicable limit in Code Section 402(g) and requests to withdraw such amount (plus earnings), the Custodian will process such withdrawal and pay such amount (and any earnings allocable to such amount) to the Employee on or before the next following April 15.

4. **Required Start of Withdrawals.** An Employee must begin taking minimum withdrawals from the Custodial Account as described in Article V, Section C.2, no later than the April 1 of the year following the year in which the Employee reaches age 70½, or the April 1 following the Employee's retirement or termination of employment from the Employer, if later (the "Required Beginning Date"), or otherwise in accordance with Code Section 401(a)(9).

C. **Form of Distribution.** The Employee may elect to receive the assets of the Custodial Account, in cash or in shares, in either or any combination of the following forms, as directed by the Employee in accordance with the requirements of Section B of this Article V:

1. a single sum;
2. in withdrawals at such times and in such amounts as the Employee specifies, which can include specification of a regular program of monthly, quarterly or annual installment payments, provided that the amount withdrawn in any distribution calendar year satisfies the requirements of Code Section 401(a)(9) and the regulations thereunder as applicable to custodial accounts operating under Code Section 403(b)(7) (for this purpose, a "distribution calendar year" is any calendar year with respect to which a distribution from the Custodial Account is required to satisfy Code Section 401(a)(9) and the regulations thereunder). The first distribution calendar year is the calendar year in which the Employee reaches age 70½ or the year of the Employee's retirement or termination of employment from the Employer, whichever is later. Each subsequent calendar year during the Employee's lifetime is also a distribution calendar year. The required minimum distribution for the Employee's first distribution calendar year must be withdrawn by the Employee by no later than the Employee's Required Beginning Date. The required minimum distribution for each subsequent distribution calendar year must be withdrawn by the Employee before the end of such distribution calendar year. In general, the required minimum distribution for any distribution calendar year is the balance in the Custodial Account as of the end of the calendar year preceding such distribution calendar year divided by the appropriate divisor based upon the Employee's age in such distribution calendar year in accordance with

regulations under Code Section 401(a)(9); however, if the Employee's sole designated beneficiary is the Employee's spouse, and the spouse is more than 10 years younger than the Employee, the divisor is the joint life expectancy of the Employee and his or her spouse based on their attained ages in the distribution calendar year determined under applicable Treasury regulations.

If the Employee fails to elect the time or form of distribution of benefits, the Custodian will assume that the Employee is satisfying any minimum distribution requirements from another Code Section 403(b) arrangement. The Custodian will not distribute any assets from the Custodial Account in the absence of a written withdrawal direction in good order from the Employee (or, if applicable the Employee's Beneficiary), and the Custodian will have no liability or responsibility for not making a distribution in such event.

#### D. Distributions at the Employee's Death.

1. **In General.** At the Employee's death, distributions will be made in the form elected by the Beneficiary. The Beneficiary must notify the Custodian in writing of the Employee's death and provide such evidence of the Employee's death as the Custodian requests. The Custodian will not distribute any assets from the Custodial Account following the Employee's death until the foregoing requirements have been satisfied, and the Custodian will have no liability for any resulting delays in distribution. To the extent the Beneficiary may elect the form of distribution, the Beneficiary must provide written notice to the Custodian listing the date on which distribution will commence, and the manner in which and the period over which distribution will be made, subject to the other applicable provisions of this Article V, Section D. The Custodian will have no liability or responsibility for following the written directions of the Beneficiary (or the Employee) or for not acting in the absence of such written directions.
2. **Form of Distribution: Death of Employee Before Required Beginning Date.** If the Employee dies before his or her Required Beginning Date, any form of distribution to the Beneficiary must comply with the following requirements:
  - a. **Non-Spousal Beneficiary.** If the Beneficiary to receive the Custodial Account following the Employee's death is not the Employee's surviving spouse, the rules in this subsection apply. The Beneficiary must withdraw the entire amount in the Custodial Account by the end of the fifth calendar year following the calendar year of the Employee's death. Alternatively, the Beneficiary may withdraw the amount in the Custodial Account in a single sum, or in regular or irregular installment withdrawals at such times and in such amounts as the Beneficiary specifies, which can include specification of a regular program of monthly, quarterly or annual installment payments, provided that the amount withdrawn in any Beneficiary distribution calendar year satisfies the applicable requirements of Code Section 401(a)(9) and the regulations thereunder as applicable to custodial accounts operating under Code Section 403(b)(7). The first distribution calendar year to the Beneficiary is the calendar year following the year in which the Employee died. Each subsequent calendar year during the Beneficiary's life expectancy period (see below) is also a Beneficiary distribution calendar year. The required minimum distribution for any Beneficiary distribution calendar year must be withdrawn no later than the end of such year. In general, the required minimum distribution for any distribution calendar year to the Beneficiary is the balance in the Custodial Account as of the end of the preceding calendar year divided by the life expectancy of the Beneficiary determined based upon the Beneficiary's age at his or her birthday during the first distribution calendar year to the Beneficiary and reduced by one for each subsequent distribution calendar year to the Beneficiary. The life

expectancy will be determined in accordance with the regulations under Code Section 401(a)(9). If the Beneficiary dies before distribution of the entire Custodial Account, an eligible inheriting beneficiary of that Beneficiary may continue to take required minimum distributions over the remaining unused life expectancy period of the Beneficiary.

- b. **Spousal Beneficiary.** If the Employee's sole Beneficiary is the Employee's surviving spouse, withdrawals must be made in accordance with subsection 2.a above, except that withdrawals are not required to be made by the Beneficiary until the end of the calendar year following the year of the Employee's death or the end of the calendar year in which the Employee would have attained age 70 ½ (had the Employee survived), whichever is later. In addition, the amount to be distributed for any distribution calendar year of the Beneficiary is the balance in the Custodial Account as of the end of the preceding calendar year divided by the Beneficiary's life expectancy determined based upon the Beneficiary's age at his or her birthday during such distribution calendar year.

If the Beneficiary dies before the date that required minimum distributions to the Beneficiary must begin, the rules in subsection a. above will be applied as if the Beneficiary were the Employee. If the Beneficiary dies after required minimum distributions to the Beneficiary have begun, then required minimum distributions must continue over a period equal to the remaining life expectancy of the Beneficiary determined as of his or her age on her birthday in the year of his or her death.

- c. **Determination of Beneficiary.** The person or persons who are considered the Employee's Beneficiary(ies) for purposes of applying the rules of this Section D.2 of Article V will be determined as of September 30th of the year following the calendar year of the Employee's death. No person may be a designated Beneficiary unless he or she was designated as such by the Employee during the Employee's lifetime; however, such a designated person will not be considered a Beneficiary for purposes of such rules if such person executed a valid disclaimer or received payment of his or her entire interest before the beneficiary determination date.
- d. **Special Rules.** If there is no surviving Beneficiary designated by the Employee as of the beneficiary determination date, the entire amount in the Custodial Account must be distributed before the end of the fifth calendar year following the year of the Employee's death.

If a Beneficiary designated by the Employee survived the Employee but is not living on the beneficiary determination date, an eligible inheriting beneficiary of that Beneficiary may take required minimum distributions over the remaining unused life expectancy period of the Beneficiary.

If any Beneficiary for the Custodial Account is not an individual, the amount in the Custodial Account must be distributed by the end of the fifth calendar year following the year of the Employee's death.

If there are multiple individual Beneficiaries, the rules of subsection a. above will be applied based upon the life expectancy of the oldest Beneficiary. However, if there are multiple Beneficiaries and if, by the date for the determination of the Beneficiary(ies) (see subsection c. above), separate subaccounts have been established within the Custodial Account for each Beneficiary in a manner that complies with the requirements of regulations under Code Section 401(a)(9), the rules of this subsection d. will be applied separately with respect to each Beneficiary.

3. **Form of Distribution: Death of Employee After Required Beginning Date.**

If the Employee dies after his or her Required Beginning Date, any form of distribution to the Beneficiary must comply with the following requirements:

- a. The required minimum distribution for the distribution calendar year of the Employee's death will be determined in accordance with the rules of this Article V, Section C.
- b. **Non-Spousal Beneficiary.** If the Beneficiary to receive the Custodial Account following the Employee's death is not the Employee's surviving spouse, the rules in this subsection apply. The Beneficiary may withdraw the amount in the Custodial Account in a single sum, or in regular or irregular installment withdrawals at such times and in such amounts as the Beneficiary specifies, which can include specification of a regular program of monthly, quarterly or annual installment payments, provided that the amount withdrawn in any Beneficiary distribution calendar year satisfies the applicable requirements of Code Section 401(a)(9) and the regulations thereunder as applicable to custodial accounts operating under Code Section 403(b)(7). The first distribution calendar year to the Beneficiary is the calendar year following the year in which the Employee died. Each subsequent calendar year during the Beneficiary's expectancy period (see below) is also a Beneficiary distribution calendar year. The required minimum distribution for any Beneficiary distribution calendar year must be withdrawn no later than the end of such year. In general, the required minimum distribution for any distribution calendar year to the Beneficiary is the balance in the Custodial Account as of the end of the preceding calendar year divided by the life expectancy of the Beneficiary determined based upon the Beneficiary's age at his or her birthday during the calendar year following the year of the Employee's death and reduced by one for each subsequent distribution calendar year to the Beneficiary. The life expectancy will be determined in accordance with the regulations under Code Section 401(a)(9). If the Beneficiary dies before distribution of the entire Custodial Account, required minimum distributions must continue over the remaining life expectancy period of the Beneficiary.
- c. **Spousal Beneficiary.** If the Employee's sole Beneficiary is the Employee's surviving spouse, withdrawals will be made in accordance with subsection 3.b above, except that the amount to be distributed for any distribution calendar year of the Beneficiary is the balance in the Custodial Account as of the end of the preceding calendar year divided by the Beneficiary's life expectancy determined based upon the Beneficiary's age at his or her birthday during such distribution calendar year.  
  
If the Beneficiary dies before the distribution of the entire Custodial Account, then required minimum distributions must continue over a period equal to the remaining life expectancy of the Beneficiary determined as of his or her age on her birthday in the year of his or her death.
- d. **Determination of Beneficiary.** The person or persons who are considered the Employee's Beneficiary(ies) for purposes of applying the rules of this Article V, Section D.3 will be determined under the rules specified in Article V, Section D.2.c. above.
- e. **Special Rules.** If there is no surviving Beneficiary designated by the Employee as of the beneficiary determination date, or if any Beneficiary is not an individual, the amount remaining in the Custodial Account must be distributed over a period equal to the life expectancy of the Employee (determined as of the Employee's birthday in the year of his or her

death), with the required minimum distribution determined by dividing the remaining Custodial Account balance by the life expectancy period as so determined, reduced by one for each subsequent distribution calendar year.

If there are multiple individual Beneficiaries, the rules of subsection b. above will be applied based upon the life expectancy of the oldest Beneficiary. However, if there are multiple Beneficiaries and if, by the date for the determination of the Beneficiary(ies) (see subsection d. above), separate subaccounts have been established within the Custodial Account for each Beneficiary in a manner that complies with the requirements of regulations under Code Section 401(a)(9), the rules of this subsection e. will be applied separately with respect to each Beneficiary.

- E. **Payments to Minors and Incompetents.** No distribution will be payable to an Employee or Beneficiary known by the Custodian to be a minor under the laws of his or her state of residence or otherwise under a legal disability unless and until the Custodian receives authorization and direction from the legal representative of such Employee's or Beneficiary's interest in the Custodial Account who has authority to act on behalf of the Employee or Beneficiary with respect to such interest as appropriate under the laws of the state in which said Employee or Beneficiary resides, or, in the case of a minor Beneficiary, if there is no such legal representative, then from any parent of the Beneficiary or to another adult individual on behalf of the Beneficiary, provided such parent or other individual agrees and consents in writing to give such authorization and direction (and to accept any distribution made to him or her pursuant to such authorization and direction) only as fiduciary for the Beneficiary. Notwithstanding any contrary provision of the preceding sentence, if the Beneficiary is a minor under the laws of his or her residence, the Custodian may pay such distribution to a custodian for such Beneficiary under the Uniform Gift to Minors Act or Uniform Transfers to Minors Act, so long as such distribution is permitted by the laws of the state in which said Beneficiary resides. Such payment shall fully discharge the Custodian and American Century from further liability on account thereof.
- F. **Distributions Under a Qualified Domestic Relations Order.** Notwithstanding Section B of this Article V or any other provision hereof, the Custodian will make payments in accordance with a qualified domestic relations order described in Code Section 414(p) and Section 206(d)(3) of ERISA, if applicable, upon written instructions in a form acceptable to the Custodian from the Employer, Authorized Agent and/or the Employee, as applicable. The Employee (or Beneficiary) will have the responsibility for directing the Custodian whether or not to contest, defend against or appeal the issuance of any such order, but the Custodian will have no responsibility to so contest, defend or appeal unless it has been indemnified by the Employee (or Beneficiary) to its satisfaction against its costs, expenses (including attorneys' fees) and other liabilities arising therefrom. Furthermore, the determination as to whether to process a domestic relations order that complies with Code Section 414(p) and Section 206(d)(3) of ERISA, if applicable, shall be made by the Employer, Authorized Agent and/or the Employee, as applicable. Notwithstanding the foregoing, in the case of a plan described in Article V, Section B, the determination as to whether to process a domestic relations order that complies with Code Section 414(p) shall be made by the Employee.
- G. **Withdrawals Payable in Cash or in Shares.** All withdrawals will be paid in cash or in shares of one or more Funds, as designated in writing by the Employee (or Beneficiary, if Employee is deceased) in a form acceptable to the Custodian. When required to pay a withdrawal in cash, the Custodian will redeem sufficient shares of one or more Funds in the Custodial Account to provide the amount necessary; any such redemptions will be in accordance with the Employee's (or Beneficiary's)

instructions (or, in the absence of such instruction, in proportion to the value of the shares of each Fund held in the Custodial Account, and the Custodian will be fully protected in so doing).

Payment in shares will be effected by reregistering the shares in the name of the payee.

H. **Transfer of Custodial Account.** At the written direction of the Employee in a form acceptable to the Custodian and as approved by the Employer or Authorized Agent, the Custodian will redeem a portion or all of the shares of one or more Funds in the Custodial Account and will transfer the redemption proceeds, less any charges, to the custodian or insurer of another custodial account or annuity contract established for the benefit of the Employee under Code Section 403(b), as specified by the Employee. Neither the Custodian, Distributor nor any Fund hereunder (or any entity or person affiliated with the Custodian, Distributor or a Fund) will have any responsibility to determine whether such other custodial account or annuity contract meets the requirements of Code Section 403(b) or whether the transfer will constitute a tax-free transaction. The Employee shall provide such information to the Distributor as it requires to insure that such transfer (whether to another Section 403(b) contract of the same Employer or to another 403(b) plan) meets the requirements of Treasury Regulation Section 1.403(b)-10(b) or such other Internal Revenue Service rule as applicable to the Custodian.

I. **Direct Rollovers.**

1. Notwithstanding any provision of this Agreement to the contrary that would otherwise limit a distributee's (as defined below) election under this section, a distributee may elect, at the time and in the manner prescribed by the Custodian, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
2. For purposes of this section, the following terms have the definitions given.
  - a. **Eligible rollover distribution:** An eligible rollover distribution is any withdrawal or distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any withdrawal or distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any withdrawal or distribution to the extent such distribution is required under Code Section 401(a)(9); the portion of any withdrawal or distribution that is not includible in gross income (except to the extent provided in the Code); and, any hardship withdrawal under Article V, Section B.1.e.
  - b. **Eligible retirement plan:** An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or an arrangement described in Code Section 403(b), that accepts the distributee's eligible rollover distribution. In addition, an eligible retirement plan includes an employer plan that is qualified under Code Section 401(a) with a trust that is tax-exempt under Code Section 501(a) or a plan maintained under Code Section 457 by a governmental employer. Any arrangement described in Code Section 403(b), 401(a) or 457 shall be an eligible retirement plan only if the distributee is a participant in such plan and such plan permits the acceptance of direct rollovers. In the case of a distribution to a Beneficiary who, at the time of an Employee's death was not the spouse of the Employee (or former spouse and alternate payee under a qualified domestic

relations order, as defined in Code Section 414(p)(8)), a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of Code Section 408(d)(3)(C)).

- c. **Distributee:** A distributee includes the Employee. In addition, the Employee's surviving spouse and the employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p)(8) (if applicable), are distributees with regard to the interest of the spouse or former spouse. To the extent provided in b. above, a distributee also includes a Beneficiary who, at the time of an Employee's death was not the spouse of the Employee (or former spouse and alternate payee under a qualified domestic relations order, as defined in Code Section 414(p)(8)).
  - d. **Direct rollover:** A direct rollover is a payment from the Custodial Account to the eligible retirement plan specified by the distributee.
3. The portion of any eligible rollover distribution consisting of designated Roth contributions may only be rolled over to another designated Roth account established for the individual under an applicable retirement plan described in Code Section 402A(e)(1) that provides for designated Roth contributions, or to a Roth individual retirement account described in Code Section 408A, subject to the rules of Code Section 402(c). If an eligible rollover distribution includes designated Roth contributions, the designated Roth contribution source shall be treated as a separate contract for purposes of Code Section 72. Therefore, the amount of any such distribution that is includible in income and the amount, if any, that may be rolled over to another Code Section 403(b) plan or a plan qualified under Code Section 401(a) shall be determined under Treasury Regulation Section 1.402A-1 and subject to the provisions of Treasury Regulation Section 1.403(b)-7(b)(1). The distributee is solely responsible for determining the tax consequences and limitations of any eligible rollover distribution which includes designated Roth contributions.
  4. Neither the Custodian, the Distributor nor any Fund hereunder (or any entity or person affiliated with the Custodian, Distributor or a Fund) will have any responsibility to determine whether such eligible retirement plan meets the requirements of Code Section 401(a), 403(b), 408 or 457, or whether the direct rollover will constitute a tax-free transaction.

J. **Loans.** No loans shall be permitted from the Custodial Account.

## Article VI: The Custodian

- A. **Duties.** The Custodian will perform the following duties related to the Custodial Account (subject to the provisions of this Agreement):
  1. Receive contributions under Article III (unless the Custodian or Distributor no longer accepts contributions, transfers or rollovers to the Custodial Account), invest such contributions in shares of one or more Funds in accordance with the Employee's investment instructions, and credit such shares to the Custodial Account;
  2. Maintain adequate records of all purchases or sales of shares of one or more Funds for the Custodial Account;

3. Collect income and reinvest such income as provided in this Agreement;
4. Carry out the Employee's (or Beneficiary's) instructions for the purchase, sale or exchange of shares of Funds for the Custodial Account upon proper instructions in a form acceptable to the Custodian (including any required approval by the Employer or Authorized Agent), and Custodian will process such instructions as soon as practicable after receipt thereof;
5. Not less frequently than annually, provide the Employee (or Beneficiary) appropriate statements of the Custodial Account showing all transactions of the Custodial Account;
6. File with the Internal Revenue Service and/or any other government agency such returns, reports, forms, and other information (if any) as may be required of it as Custodian;
7. Process distributions and withdrawals in accordance with Article V;
8. Perform such other duties and services as may be necessary under this Agreement, or as may be required by law.

In its discretion, the Custodian may appoint one or more contractors or service providers, including American Century, to carry out any of its functions and may compensate them from the Custodial Account for expenses attendant to those functions. In the event of such appointment, all rights and privileges of the Custodian under this Agreement shall pass through to such contractors or service providers who shall be entitled to enforce them as if a named party.

**B. Share Redemptions.** If cash is needed to pay taxes, fees, or other expenses properly chargeable to the Custodial Account or to make payments to the Employee or Beneficiary under Article V, the Employee (or Beneficiary, if applicable) will instruct the Custodian in writing in a form acceptable to the Custodian which Fund should be redeemed or sold if the Custodial Account is invested in more than one Fund. In the absence of such written instructions, the Custodian will redeem shares of all Funds in the Custodial Account in proportion to the value of the shares of each such Fund held in the Custodial Account and will be fully protected in so doing.

**C. Limitations on Liabilities and Duties.**

1. The Custodian will be fully protected in acting in accordance with or in reliance upon any document, order or other direction believed by the Custodian to be genuine and properly given, or in not acting in the absence of proper instructions or when it believes that any document, order or other direction either is not genuine or was not properly given, or is otherwise not in good order. In addition, Custodian will carry out the requirements of any apparently valid court order relating to the Custodial Account and will incur no liability or responsibility for so doing.
2. To the extent permitted by law, 30 days after providing to the Employee (or Beneficiary) any statement referred to in Article VI, Section A.5, the Custodian will be released and discharged from all liability to the Employee (or Beneficiary) and any other person as to the matters contained in such statement unless the Employee (or Beneficiary) files written objections with the Custodian within such 30-day period.
3. The Employee (or Beneficiary) will be solely responsible for his or her investment directions and the selection of the Fund(s) in which the Custodial Account is invested. Neither the Custodian nor any Fund (nor any entity or person affiliated with the Custodian or a Fund) will be under any fiduciary or other duty to the Employee (or Beneficiary) with respect to the selection of

investments or be liable for any loss or diminution in value incurred on account of a selected investment. The Employee (or Beneficiary) acknowledges that the Custodian will not provide investment advice or recommendations hereunder.

4. Neither the Custodian, the Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Distributor or a Fund) will have any responsibility for determining the amount of any contribution or for collecting any contribution from any person. None of them (nor any such other person) will have any responsibility for determining whether the amount of any contribution is within any applicable limitation under the Code, or for any taxes or penalties imposed on excess contributions or deferrals. The Employee and/or Employer, as applicable, will have sole responsibility for the computation of the limitation(s) on contributions under Code Section 415(c), any limit on elective deferrals (including salary reduction contributions and designated Roth contributions) under Code Section 402(g) or 414(v), and any and all matters relating to any tax consequences with respect to contributions, earnings, withdrawals, transfers or rollovers to or from the Custodial Account.
5. Neither the Custodian, the Distributor nor any Fund (nor any entity or person affiliated with the Custodian or Distributor or Fund) will be responsible for determining the propriety, amount or timing of any withdrawal by the Employee (or Beneficiary), or for any taxes or penalties imposed because of improper, premature or insufficient withdrawals.
6. The Custodian shall have no responsibility to carry out any transaction with respect to the Custodial Account except upon the written order of the Employee or any agent or investment advisor appointed under Section D of Article IV (or Beneficiary if the Employee is deceased) in a form acceptable to the Custodian, and shall be entitled to receive any and all applications, certificates, tax waivers, signature guarantees, releases, indemnification agreements, and other documents (including proof of any legal representative's authority) deemed necessary or advisable by the Custodian, but the Custodian will not be responsible for complying with any order or instruction which appears on its face to be genuine (and the Custodian will have no duty of further inquiry with respect to any such order or instruction). The Custodian will not be required to carry out any incomplete or ambiguous instructions or any instructions otherwise not given in accordance with this Agreement or not in good order. Neither the Custodian, Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Distributor or a Fund) will be liable for loss of income, or for appreciation or depreciation in share value resulting from the Custodian's failure to follow any incomplete or ambiguous instructions or any instructions otherwise not given in accordance with this Agreement or not in good order, or for any delay pending the receipt of any additional document or information requested by the Custodian.
7. The Custodian will have no responsibility to pay any withdrawal directed by the Employee or Beneficiary unless the Employee's or Beneficiary's written withdrawal instructions state the reason for the withdrawal and contain all signature guarantees, certifications, and other documents or assurances requested by the Custodian.
8. Neither the Custodian the Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Distributor or a Fund) will have any liability to the Employee or Beneficiary for any tax penalty or other damages resulting from any inadvertent failure by the Custodian to pay a withdrawal when requested by the Employee or Beneficiary or for the inadvertent payment of an ineligible withdrawal when requested by the Employee or Beneficiary.

9. Neither the Custodian, Distributor nor any Fund (nor any entity or person affiliated with the Custodian, Distributor or any Fund) will have any liability to the Employee or any Beneficiary as a result of transferring the amount in the Custodial Account to the proper state authority in accordance with any applicable law relating to escheat or abandoned or unclaimed property.
10. To the extent permitted by law, the Employee (or where applicable Beneficiary) agrees to indemnify the Custodian and American Century and hold it harmless from any and all liability whatsoever which may arise either (i) in connection with this Agreement and the Custodial Account (except liability arising from the Custodian's or American Century's fraud or willful misconduct) or (ii) with respect to making or failing to pay any withdrawal, other than for failure to make any distribution in accordance with instructions therefor which are in full compliance with this Agreement.
11. The Custodian will not be obligated to commence or to defend a legal action or proceeding in connection with this Agreement unless the Custodian agrees to do so and is first indemnified to its satisfaction.
12. Neither the Employer, Distributor nor any Fund (nor any entity or person affiliated with the Distributor or a Fund) will have any responsibility or liability for any acts or omissions of the Custodian hereunder. The Custodian (and any affiliate of the Custodian) will have no responsibility or liability for any acts or omissions of the Employee, Beneficiary, the Employer or any Fund (or any affiliate or representative of any of them).
13. The limitations on the liabilities and duties of the Custodian, and the protections accorded the Custodian, in this Section C of this Article VI are not exclusive, but rather are in addition to any other limitations on the Custodian's liabilities and duties and any other protections accorded the Custodian under this Agreement.

D. **Reports and Voting of Securities.** As agent for the Custodian, American Century or any of its affiliated companies shall deliver or cause to be delivered, either by mail or electronically, to the Employee or Beneficiary, if applicable, all notices, prospectuses, financial statements and other reports to shareholders, proxies and proxy soliciting materials relating to the shares of the Funds(s) credited to the Custodial Account. The Employee or Beneficiary (or his or her authorized agent) may direct the Custodian as to the manner in which such shares shall be voted. In the absence of direction from Employee or Beneficiary (or his or her authorized agent), the Employee or Beneficiary authorizes and instructs the Custodian to vote the shares of the Fund(s) credited to the Custodial Account as recommended by the Fund's board of directors in the relevant proxy soliciting materials. The Custodian shall have no responsibility to separately review or evaluate such Fund's board of directors' voting recommendation nor have any liability for following the Employee's or Beneficiary's instructions to follow the Fund's board of directors' recommendation.

E. **Resignation or Replacement of Custodian.**

1. Upon 60 days' prior written notice to the Custodian, American Century may remove it from its office hereunder. Such notice, to be effective, shall designate a successor custodian and shall be accompanied by the successor's written acceptance. The Custodian also may at any time resign upon 60 days' prior written notice to American Century, whereupon American Century shall notify the Employee (or Beneficiary, if Employee is deceased) and shall appoint a successor to the Custodian. In connection with its removal or resignation hereunder, the Custodian may, but is not required to, designate a successor custodian by written notice to American Century if American Century does not designate a successor custodian, and American Century and Employee (or Beneficiary) will be deemed to have consented to such successor unless

American Century designates a different successor custodian and provides written notice thereof together with such a different successor's written acceptance by such date as the Custodian specifies in its original notice to American Century (provided that American Century will have a minimum of 60 days to designate a different successor).

2. The successor custodian shall be a bank, insured credit union, or other entity satisfactory to the Secretary of the Treasury under Code Section 408(n). Upon receipt by Custodian of written acceptance by its successor of such successor's appointment, Custodian shall transfer and pay over to such successor the assets of the Custodial Account and all records (or copies thereof) of Custodian pertaining thereto, provided that the successor custodian agrees not to dispose of any such records without the Custodian's consent. Custodian is authorized, however, to reserve such sum of money or property as it may deem advisable for payment of all its fees, compensation, costs, and expenses, or for payment of any other liabilities constituting a charge on or against the assets of the Custodial Account or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian.
3. No custodian shall be liable for the acts or omissions of its predecessor or its successor.

## Article VII: Fees, Taxes, and Other Expenses

- A. The Custodian, in consideration of its services under this Agreement, shall receive the fees specified on the applicable fee schedule. The fee schedule originally applicable shall be the one specified at the time the Custodial Account is established. The Custodian may substitute a different fee schedule at any time upon 30 days' written notice to Employee (or Beneficiary, if Employee is deceased). The Custodian shall also receive reasonable fees for any services not contemplated by any applicable fee schedule and either deemed by it to be necessary or desirable or requested by Employee (or Beneficiary, if Employee is deceased).
- B. Any income, gift, estate and inheritance taxes and other taxes of any kind whatsoever, including transfer taxes incurred in connection with the investment or reinvestment of the assets of the Custodial Account, that may be levied or assessed in respect to such assets, and all other administrative expenses incurred by the Custodian in the performance of its duties (including fees for legal services rendered to it in connection with the Custodial Account) shall be charged to the Custodial Account. If the Custodian is required to pay any such amount, the Employee (or Beneficiary) shall promptly upon notice thereof reimburse the Custodian.
- C. All such fees and taxes and other administrative expenses charged to the Custodial Account shall be collected either from the amount of any contribution or distribution to or from the Custodial Account, or (at the option of the person entitled to collect such amounts) to the extent possible under the circumstances by the conversion into cash of sufficient shares of one or more Funds held in the Custodial Account (without liability for any loss incurred thereby). Notwithstanding the foregoing, the Custodian may make demand upon the Employee (or Beneficiary, if Employee is deceased) for payment of the amount of such fees, taxes and other administrative expenses and Employee (or Beneficiary, if Employee is deceased) shall pay the amount due to Custodian upon demand. Fees which remain outstanding after 60 days may be subject to a collection charge.

- D. The Employee (or Beneficiary, if Employee is deceased) or Employer may authorize the Custodian to pay other expenses incurred by the Employee (or Beneficiary, if Employee is deceased) or Employer out of the Custodial Account, including but not limited to fees of a registered investment advisor for financial advisory services rendered to Employee (or Beneficiary) with respect to the assets held in the Custodial Account and fees for the performance of other administrative services, including services performed by an administrator appointed by the Employer. The Employee (or Beneficiary, if Employee is deceased) or Employer must specifically authorize the Custodian in writing, in a form and manner acceptable to Custodian, to pay such fees upon receipt of a statement from the investment advisor or other service provider. The Custodian shall not be required to inquire as to the actual performance of such services, the accuracy of the fee statement, the reasonableness of the fees for the services, or the regulation of such fees under federal or state law. The Custodian shall be free from all liability to the Employee, any Beneficiary, or any other person for the payment of, or the failure or refusal to pay, such fees.

## Article VIII: Protection of Custodial Account

No part of the Custodial Account will be used for purposes other than for the exclusive benefit of the Employee (and the payment of fees, expenses and charges as provided herein). To the extent permitted by law, no right or benefit under this Agreement will be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt at such will be void. To the extent permitted by law, no right or benefit hereunder will be subject to the debts, contracts, liabilities, engagements or torts of the person who is entitled to such right or benefit, or be subject to attachment or legal process for or against such person. However, the Custodian will carry out the requirements of any apparently valid qualified domestic relations order under Code Section 414(p) and Section 206(d)(3) of ERISA, if applicable, relating to the Custodial Account in accordance with Section F of Article V.

## Article IX: Beneficiary Designation

- A. **Designated Beneficiary.** The term “Beneficiary” means the person or persons designated as such by the “designating person” (as defined below) on a form acceptable to the Custodian for use in connection with the Custodial Account, duly executed and signed by the designating person, and filed with, and acceptable to the Custodian. If, in the opinion of the Custodian, any designation of Beneficiary is unclear or incomplete, in addition to any documents or assurances the Custodian may request under Section C of Article VI, the Custodian shall be entitled to request and receive such clarification or additional instructions as the Custodian in its discretion deems necessary to determine the correct Beneficiary(ies) following the Employee’s death.

The form designating the Beneficiary(ies) may name individuals, trusts, estates, or other entities as either primary or contingent Beneficiaries. However, if the designation does not effectively dispose of the entire Custodial Account as of the time distribution is to commence, or if all Beneficiaries renounce their rights to receive any benefit from the Custodial Account, the term “Beneficiary” shall then mean first, the designating person’s spouse, but if no such spouse shall survive the designating person, then the surviving natural and adoptive children of the designating person in

equal shares per capita, and if there be no such child or children, then the personal representative of the designating person's estate, with respect to the assets of the Custodial Account not disposed of by the designation form.

The Custodian shall have no duty, obligation or responsibility to make any inquiry or conduct any investigation concerning the identification, address, or legal status of any individual or individuals alleging the status of Beneficiary (designated or otherwise), nor to make inquiry or investigation concerning the possible existence of any beneficiary not reported to the Custodian within a reasonable period after the notification of the Employee's death (or that of the Employee's designated Beneficiary) and previous to the distribution of the account. The Custodian may conclusively rely upon the veracity and accuracy of all matters reported to it by any source ordinarily presumed to be knowledgeable respecting the matters so reported.

With respect to any distribution made by reason of the death of the Employee (or the Employee's designated Beneficiary) the Custodian shall have no higher duty than the exercise of good faith, and shall incur no liability by reason of any action taken in reliance upon erroneous, inaccurate or fraudulent information reported by any source assumed to be reliable, or by reason of incomplete information in its possession at the time of such distribution. Upon full and complete distribution of the Custodial Account pursuant to the provisions of this Section, the Custodian shall be fully and forever discharged from all liabilities respecting such Custodial Account.

The form last accepted by the Custodian before such distribution is to commence, provided it was received by the Custodian during the designating person's lifetime, shall be controlling and, whether or not fully dispositive of the Custodial Account, thereupon shall revoke all such forms previously filed by that person.

The term "designating person" means Employee during his or her lifetime; only after Employee's death, it means Employee's Beneficiary.

Married Employees, particularly those who reside in community property or marital property states, or whose Employer's Plan is subject to ERISA, may need to obtain spousal consent if they have not designated their spouse as the primary Beneficiary for at least half of their Custodial Account. Consult a lawyer or other tax professional for additional information and advice.

- B. **Rights of Inheriting Beneficiary.** Notwithstanding any provisions in this Agreement to the contrary, when and after the distribution from the Custodial Account to Employee's Beneficiary commences, all rights and obligations assigned to Employee hereunder, including the right to designate a Beneficiary, shall inure to, and be enjoyed and exercised by, Beneficiary instead of Employee.
- C. In the event of a divorce, if the former spouse has been designated as a Beneficiary on the Custodial Account, such designation is automatically revoked. Such former spouse can be subsequently designated as a Beneficiary, but only in a new designation of beneficiary executed subsequent to the final decree, and filed with and acceptable to the Custodian.
- D. Except as described in this Article IX Section C above, a beneficiary designation will not be changed automatically and is not affected by any other executed documents or agreements such as, but not limited to, pre-nuptial agreements or other court orders, except as required by law. Only beneficiary designations duly executed, filed with and acceptable to the Custodian are valid and enforceable.

## Article X: Amendments

### A. Amendments.

1. Employee delegates to Custodian the right to amend this Agreement in any respect at any time, effective on a stated date which shall be at least 30 days after giving written notice of the amendment (including its exact terms) to Employee. Notwithstanding the foregoing, any such amendment may be retroactively effective if such amendment is necessary to conform the Agreement to, or satisfy conditions of, any law, governmental regulation, or ruling, or to permit the Agreement to meet the requirements of Section 403(b) of the Code or any other applicable law. Written notice of amendment will be mailed or provided electronically to Employee, in accordance with Employee's election.
2. Employee delegates to the Custodian the Employee's right so to amend, provided (i) the Custodian does not change the investments available under this Custodial Agreement and (ii) the Custodian amends in the same manner all agreements comparable to this one, having the same Custodian, permitting comparable investments, and under which such power has been delegated to it; this includes the power to amend retroactively if necessary or appropriate in the opinion of the Custodian in order to conform this Custodial Account to pertinent provisions of the Code and other laws or successor provisions of law, or to obtain a governmental ruling that such requirements are met, to adopt a prototype or master form of agreement in substitution for this Agreement, or as otherwise may be advisable in the opinion of the Custodian. Such an amendment by the Custodian shall be communicated in writing to Employee, and Employee shall be deemed to have consented thereto unless, within 30 days after such communication to Employee is mailed, Employee gives Custodian a written order for a complete distribution or transfer of the Custodial Account.

Pending the adoption of any amendment necessary or desirable to conform this Agreement to the requirements of any amendment to any applicable provision of the Code or regulations or rulings issued thereunder, the Custodian may operate the Custodial Account in accordance with such requirements to the extent that the Custodian deems necessary to preserve the tax benefits of the Custodial Account, and the Custodian will have no liability for so doing.

3. Notwithstanding the provisions of subsections 1 and 2 above, no amendment shall increase the responsibilities or duties of Custodian without its prior written consent.
4. This Article X shall not be construed to restrict the Custodian's right to substitute fee schedules in the manner provided by Article VII above, and no such substitution shall be deemed to be an amendment of this Agreement.

### B. Limitations. No amendment will be made:

1. which would cause or permit any part of the Custodial Account to be diverted to purposes other than for the exclusive benefit of the Employee (or Beneficiary) (including the payment of fees and expenses as provided for herein), or cause or permit any portion of such assets to revert to or become the property of the Employer, or
2. which would retroactively deprive any Employee of any benefit to which he or she was entitled under the Agreement, unless such amendment is necessary, in the opinion of counsel to the Custodian, to conform the Agreement to, or satisfy the conditions of, Code Section 403(b) or any other applicable law.

## Article XI: Termination

- A. **Plan Termination.** The Employer is permitted to terminate the Plan and allow for an Employee's Custodial Account to be distributed upon Plan termination in a manner consistent with the requirements of Treasury Regulation Section 1.403(b)-10(a), provided the conditions set forth in Code Section 403(b) and any other applicable Treasury regulations have been satisfied. This Agreement will terminate when all the assets held in the Custodial Account have been distributed or otherwise transferred out of the Custodial Account.
- B. **Termination on Disqualification.** This Agreement will terminate if, after notification by the Internal Revenue Service that the Custodial Account does not qualify under Code Section 403(b)(7), the Custodian does not make such amendments as are necessary to so qualify the Custodial Account. On such termination of this Agreement, the Custodian will distribute all assets in the Custodial Account to the Employee or, in the event of the Employee's death, to the Beneficiary, subject to the Custodian's right to reserve funds as provided in Section E of Article VI.
- C. **Survival.** The provisions for the protection of the Custodian, including specifically but without implied limitation Article VI, Section C, will survive the termination of this Agreement.

## Article XII: Miscellaneous

- A. **Nondiscrimination Requirements.** The Employer will be responsible for compliance with the requirements of Code Section 403(b)(12), as applicable, and the Custodian will have no responsibility for insuring that the Employer so complies except to the extent required under Code Section 403(b) or regulations issued thereunder.
- B. **Applicable Law/Interpretation.** When accepted by the Custodian, this Agreement is accepted in and shall be construed and administered in accordance with the laws of the state where the principal offices of the Custodian are located, except as superseded by federal laws or regulations, if applicable. Any action involving the Custodian brought by any other party must be brought in a state or federal court in such Commonwealth that has jurisdiction over such action.

This Agreement is intended to establish a 403(b) Custodial Account meeting the requirements of Code Section 403(b)(7) and any other applicable requirements of the Code and applicable Treasury regulations issued thereunder. In addition, if future regulations or rulings provide guidance concerning the requirements for a valid 403(b) Custodial Account, this Agreement will be interpreted and the Custodial Account hereunder will be administered in a manner that complies with such regulations or rulings pending the adoption of any required amendment to this Agreement. If any provision of this Agreement is subject to more than one interpretation or any term used herein is subject to more than one construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the intent expressed in the preceding sentence.

However, the Custodian shall not be responsible for whether or not such intentions are achieved through use of this Agreement, and Employee is referred to Employee's attorney for any such assurances.

Anything to the contrary herein notwithstanding, in the event of reasonable doubt respecting the proper course of action to be taken, the Custodian may seek a judicial determination which shall be binding on all parties claiming interest in the Custodial Account. In such event all court costs, legal expenses, reasonable compensation of time expended by Custodian in the performance of its duties, and other appropriate and pertinent expenses shall be collected by the Custodian from the Custodial Account.

- C. **Change of Address.** The Employer or the Employee will notify the Custodian in writing of any change of address within 30 days of such change.
- D. **Notices.**
1. Any notice or payment from the Custodian to the Employer or the Employee under this Agreement will be effective when sent by U.S. mail to the address of the Employer or Employee as then shown on the Custodian's records. Any notice to the Custodian under this Agreement will be by first class mail addressed to its principal office or such other address as the Custodian specifies.
  2. If any provision of this Agreement calls for written notice to the Custodian, such notice may, if permitted by the Custodian, be given by telephonic, automatic voice response system or other electronic means. The Employee (or Beneficiary) acknowledges and agrees that any telephone calls to the Custodian may be recorded.
- E. **Successors.** This Agreement will be binding upon and inure to the benefit of the successors in interest of the parties hereto.
- F. **Separability.** If any provision of this Agreement is held invalid or illegal for any reason, such determination will not affect any remaining provisions of this Agreement, but this Agreement will be construed and enforced as if such invalid or illegal provision has never been included in this Agreement.
- G. **Code Section 403(b), ERISA, etc.** As provided in Section A of Article I above, this Agreement and the Account Application are intended to meet the requirements of Code Section 403(b), the applicable provisions of ERISA (for Employer Plans subject to ERISA) and all other applicable legal requirements. If Code Section 403(b), ERISA or applicable regulations or other legal rules are amended or changed, it is anticipated that this Agreement will be correspondingly amended effective as of the effective date of such amendment or change. Pending the adoption of an amendment to this Agreement, the Custodial Account may be operated in accordance with the amended or changed requirements of Code Section 403(b), ERISA or applicable regulations or other legal rules so as to preserve the intended tax and other benefits of the Custodial Account.
- H. **Conflict of Agreement and Employer's Plan Terms.** To the extent any provisions of the Plan are inconsistent or conflict with the terms of this Agreement and the Employer has notified the Custodian and American Century in writing of such provisions, the provisions of the Plan will supersede the applicable provisions of this Agreement, provided all of the following conditions are met:
- (i) the Employer has provided a copy of the most recent documents governing the Plan to the Custodian or American Century,
  - (ii) such provisions are not contrary to Code Section 403(b), ERISA (if applicable), or any regulations thereunder, and
  - (iii) such provisions do not impose any additional duties or responsibilities upon the Custodian or American Century without prior written consent of the party upon whom such additional duties or responsibilities are imposed.

- I. **Reference to Employee.** Following the death of the Employee, the rights and responsibilities of the Employee under this Agreement will be carried out by the Beneficiary (or if none, or no Beneficiary survives the Employee, the executor or administrator of the Employee's estate), and any reference herein to the Employee will be deemed to be a reference to the Beneficiary (or the executor or the administrator of the Employee's estate). In addition and where applicable, the rights and responsibilities of the Employee under this Agreement will be carried out by an alternate payee under a qualified domestic relations order pursuant to Article V, Section F, and any reference herein to the Employee will be deemed to be a reference to the alternate payee.

## Notes





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## Contact Us

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**Website**

[americancentury.com](http://americancentury.com)

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**403(b) Investors**

1-800-345-3533

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