

NEUBERGER BERMAN

# Understanding Your IRA

Disclosure Statement  
Custodial Agreement

**Introduction** **1**

**Most Frequently Asked IRA Questions and Answers** **1**

1. What is an IRA? 1
2. Who Can Establish an IRA? 1
3. What Are the Age Limits? 1
4. How Much Can an Eligible Person Contribute to IRAs Each Year? 1
5. What If Both Husband and Wife Have Earned Income? 1
6. What If My Spouse Doesn't Work? 1
7. When Can I Contribute? 1
8. May I Take a Tax Deduction For My IRA Contribution? 1
9. When Can I Begin to Withdraw Money From My IRA? 2
10. Do I Have Complete Flexibility to Withdraw After Age 59½? 2
11. How Are Distributions Taxed? 2
12. Are Federal Income Taxes Withheld From My Distributions? 2
13. Can I Change My IRA Investments? 2
14. Is a Transfer the Same as a "Rollover"? 2
15. Can Distributions From an Employer's Retirement Plan be Rolled Over into an IRA? 2
16. Are Distributions From an Employer's Retirement Plan Subject to Federal Income Tax Withholding? 3
17. As the Beneficiary of a Qualified Retirement Plan, 403(b), Governmental 457(b) Plan, or IRA, Can I Roll Over a Decedent's Account Balance I Receive Into an IRA? 3
18. Are There Other Amounts That I Can Contribute to an IRA? 3
19. Are There Any Restrictions on Converting My IRA to a Roth IRA? 3

<b>IRA Disclosure Statement</b>	<b>3</b>
1. Why This Disclosure Statement?	3
2. What Is Your IRA?	3
3. Your IRA Investments	4
4. Eligibility and Contributions	4
5. Spousal IRAs	4
6. Deadline for Contributions	4
7. Deductibility of Contributions	4
8. Non-Deductible Contributions	7
9. Are You an "Active Participant"?	7
10. If You Have a SEP-IRA	7
11. Rollovers From a Retirement Plan to an IRA	7
12. Rollovers and Transfers Between IRAs and SIMPLE Retirement Plans	8
13. Excess Contributions	8
14. Distributions From Your IRA and Their Taxation	9
15. Prohibited Transactions and Pledges	10
16. Reports to the Internal Revenue Service	11
17. Fees and Expenses	11
18. Miscellaneous	11
<b>IRA Custodial Agreement</b>	<b>12</b>

IMPORTANT NOTE: Throughout this booklet you will see references to a retirement program called a "SIMPLE Retirement Plan." If you are a participant in a SIMPLE Retirement Plan or if you are considering transferring or rolling over assets from a SIMPLE Retirement Plan, please call us at 800-877-9700 to request a copy of the Neuberger Berman SIMPLE Retirement Plan Guide.

**If you have any questions, please call:  
Neuberger Berman Investment Advisers LLC  
Retail Services Group at: 800.877.9700.**

## Introduction

---

An Individual Retirement Account (IRA) can become the cornerstone of your personal retirement savings program, providing the foundation for your future financial security.

And when you are ready to begin withdrawing money from your IRA, the tax deferral continues to work for you. You can choose to withdraw only the minimum required amount each year (paying regular income tax only on the taxable amount withdrawn), while the balance of the money in your IRA continues to earn and compound tax-deferred.

On the following pages you will find the **Most Frequently Asked IRA Questions and Answers**, which summarize the most important rules that you should know regarding your IRA.

## Most Frequently Asked IRA Questions And Answers

---

### 1. What is an IRA?

IRA stands for Individual Retirement Account. The money in an IRA **earns and compounds on a tax-deferred basis** until withdrawn. You don't pay any current income tax on the interest, dividends, or capital gains earned in your IRA.

### 2. Who Can Establish an IRA?

Generally, anyone with **earned income** or alimony can establish an IRA prior to the tax year in which he or she reaches age 70½. Sole proprietors, partners and full or part-time corporate and non-corporate employees are eligible. You may have an IRA even if you participate in a qualified pension, profit-sharing or other retirement plan. You may, however, be limited in the amount of the contributions that are deductible on your Federal income tax return.

### 3. What Are the Age Limits?

There's no lower age limit. A child with earned income can have an IRA. The upper age limit is age 70½. You can no longer put money into an IRA for the year in which you reach age 70½.

### 4. How Much Can an Eligible Person Contribute to His or Her IRA Each Year?

You can contribute annually up to \$5,500 or 100% of your earned income, whichever is less. Alimony is counted as earned income, pension and investment income are not counted as earned income. An individual age 50 or older may make an additional "catch-up" contribution of \$1,000 subject to the above earned income requirements. These amounts are subject to change based on the Cost of Living Index. Please refer to IRS Publication 590-A ([www.irs.gov](http://www.irs.gov)) for any changes.

### 5. What if Both Husband and Wife Have Earned Income?

If both spouses have earned income, they can establish separate IRAs and each can contribute up to \$5,500 annually. If their combined income is less than \$11,500, the combined IRA contributions are limited to 100% of their earned income. The additional catch-up contribution is allowed for either or both spouses, depending on either or both spouses reaching age 50.

### 6. What if My Spouse Doesn't Work?

If one spouse has less than \$5,500 of earned income, an IRA may be established based on the income of the higher-earning spouse. In this case, the combined total contributed may be up to \$11,000 annually divided any way desired between two accounts, except that no one account may receive more than \$5,500. The catch-up provisions stated above also apply on a per spouse basis.

### 7. When Can I Contribute?

You can open an IRA, or contribute to an existing IRA, at any time from January 1 of a given year up to April 15 of the following year. April 15 is the absolute deadline, even if you have received an extension beyond that date for filing your tax return.

### 8. May I Take a Tax Deduction For My IRA Contribution?

If you **do not participate** in a qualified retirement plan, 403(b) plan or a governmental 457(b) plan, or a Keogh Plan if you are self-employed, (retirement plan), your IRA contribution is fully deductible.

If you **do participate** in a retirement plan, the amount of your deduction (if any) is subject to your "modified" adjusted gross income (MAGI) and your marital status.

If you are married and filing a joint tax return, and **only one spouse** is a participant in a retirement plan, the spouse (including a non-wage earning spouse) who is not a plan participant may make a fully or partially deductible IRA contribution up to the maximum

amount allowed by current law or 100% of combined earned income, whichever is less. The deductibility of the non-participant spouse's contribution is phased out in 2017 between the MAGI limits of \$186,000–\$196,000.

Even if you (and your spouse) participate in a retirement plan, your IRA contribution is fully deductible if your income is below \$62,000 if you are single, or \$99,000 if you are married and filing a joint return.

For participants in a retirement plan, the full deduction is phased out between the following MAGI limits:

<b>Married Taxpayers Filing Joint Returns:</b>	\$101,000–\$121,000
<b>Single Taxpayers:</b>	\$63,000–\$73,000

For details on how the income limitations work, see the IRA Disclosure Statement, Section 7 on page 7.

## 9. When Can I Begin to Withdraw Money From My IRA?

Beginning at age 59½, you can withdraw money from your IRA as desired without penalty. You can do this whether or not you are still employed. Before age 59½, the IRS imposes a 10% penalty tax on withdrawals except in cases of death or disability. You can also escape the penalty tax before age 59½ if withdrawals are taken in the form of substantially equal periodic payments based on your life expectancy, if the withdrawals are used to pay unreimbursed medical expenses that exceed 10% of your adjusted gross income, if the withdrawals are used to pay for health insurance premiums for you or your family if you are unemployed and you have received at least 12 weeks of Federal or State unemployment compensation, if the withdrawals are used to pay for qualified higher education expenses if made on account of an IRS levy as described in Section 6331 of the Code, or if the withdrawals are used to pay expenses incurred by qualified first-time home buyers. In the case of qualified first-time home buyers, the withdrawals are limited to \$10,000 during the IRA owner's lifetime. Please refer to IRS Publication 590-B ([www.irs.gov](http://www.irs.gov)) for additional information.

## 10. Do I Have Complete Flexibility to Withdraw After Age 59½?

You have complete flexibility as to withdrawals between ages 59½ and 70½. By April 1 following the year in which you reach age 70½, you must begin to withdraw a certain minimum amount annually. A great advantage of taking only minimum distributions is that the balance not withdrawn continues to earn and compound tax-deferred.

## 11. How Are Distributions Taxed?

With one exception, all distributions from an IRA are taxed as **ordinary income**; there is no special tax treatment for lump sum distributions from an IRA. The exception is that, if you have made **non-deductible contributions** to your IRA, a certain portion of your withdrawals will be non-taxable until you have recovered the exact amount of your non-deductible contributions.

## 12. Are Federal Income Taxes Withheld From My Distributions?

The tax code requires that you make a choice concerning the distributions you receive from your IRA. The law requires that Federal income tax be withheld from all IRA distributions (other than certain distributions of excess contributions)—unless you tell us that you do not want any taxes withheld. If you choose to have taxes withheld, they will be withheld at a flat rate of 10% of the amount of each distribution and turned over to the government as a prepayment of your Federal income tax liability for the year the distribution is made.

## 13. Can I Change My IRA Investments?

Yes, very easily. For example, within our group of funds, you can easily switch among our common stock equity funds, our money market funds, and our fixed income funds. And if your IRA is with a bank, a broker, or another fund group, Neuberger Berman Investment Advisers LLC can provide you with simple forms for transferring your IRA into the Neuberger Berman Funds.

## 14. Is a Transfer the Same as a "Rollover"?

No. An IRA can be **transferred** directly from one Custodian or Trustee to another without being distributed to the account holder. Transfers can be done as often as desired without limitation, and it is the usual procedure when moving an IRA from one sponsor to another. With a **rollover**, on the other hand, the funds are actually distributed. The account holder then has 60 days in which to invest the funds in another IRA without being liable for taxes on the money received. An owner is permitted one rollover every 12 months regardless of the number of IRAs he or she owns. It is essential that the reinvestment be completed within 60 days of the date of receipt of the IRA distribution.

## 15. Can Distributions From an Employer's Retirement Plan be Rolled Over into an IRA?

Yes. Most distributions from qualified corporate retirement plans, Keogh plans, 403(b), and governmental 457(b) plans can be rolled over into an IRA without owing income tax on the distribution as long as the reinvestment is made within 60 days after receipt.

The law permits your "rollover IRA" to be rolled over again at some later date into a new employer's pension or profit sharing plan. But you should consult with your tax advisor as to whether you should keep the rollover from an employer plan separate in a "rollover IRA" in order to preserve certain tax treatment and protection in case of bankruptcy.

## **16. Are Distributions From an Employer's Retirement Plan Subject to Federal Income Tax Withholding?**

Yes. Most distributions from qualified retirement plans, 403(b) programs and governmental 457(b) are subject to a mandatory 20% withholding of Federal income tax. However, you can avoid this withholding of taxes if the distribution is "directly rolled over" to an IRA. In order for a distribution to be considered "directly rolled over," the present Trustee/Custodian must (1) wire the distribution to the IRA Custodian, (2) mail the distribution directly to the IRA Custodian, or (3) give you the distribution in the form of a check negotiable only by the IRA Custodian.

## **17. As the Beneficiary of a Qualified Retirement Plan, 403(b), Governmental 457(b) Plan, or IRA, Can I Roll Over a Decedent's Account Balance I Receive Into an IRA?**

In most cases, yes. If you are the beneficiary and the surviving spouse, you can roll over or directly transfer a benefit from a qualified retirement plan, a 403(b) plan or a governmental 457(b) plan to your own IRA. A surviving spouse who is the beneficiary of an IRA can treat the benefit as his or her own, roll it over to his or her own IRA, or retain the account as the beneficiary.

If you are a beneficiary, but not the surviving spouse, you may directly roll over a decedent's interest from a qualified retirement plan, 403(b) plan or a governmental 457(b) plan to an inherited IRA. The distribution must be directly rolled over (via a trustee to trustee transfer) to the IRA. Any required distributions from the distributing plan may not be rolled over to the inherited IRA. A non-spouse beneficiary may also inherit an IRA, but may not roll it over, or treat it as his or her own. A trustee to trustee transfer of the IRA can be made, as long as the account remains in the name of the decedent. No additional contributions can be made to an inherited IRA of a non-spouse beneficiary.

## **18. Are There Other Amounts That I Can Contribute To an IRA?**

Yes, the amount received in a Qualified Reservist's Distribution can be contributed to an IRA. A Qualified Reservist's Distribution (QRD) is a distribution from an IRA or a distribution attributable to elective deferrals under a Section 401(k) or 403(b) plan (or a plan described in Section 501(c)(18) of the Code) to a member of the armed services who has been ordered or called to active duty for a period exceeding 179 days or for an indefinite period. During the two-year period beginning on the day after the end of the depositor's active duty service, a depositor who receives a QRD may make contributions to an IRA up to the amount of the QRD regardless of the otherwise applicable limits on IRA contributions. A QRD contribution is not deductible.

## **19. Are There Any Restrictions on Converting My IRA To a Roth IRA?**

Every IRA owner may elect to convert an existing IRA to a Roth IRA. The amount converted will be taxed in the year of conversion, except to the extent the individual had made after-tax contributions to the IRA.

## **IRA Disclosure Statement**

---

### **1. Why This Disclosure Statement?**

The Internal Revenue Service ("IRS") requires that everyone who establishes an Individual Retirement Account ("IRA") be given a Disclosure Statement. This Disclosure Statement will provide you with basic information regarding the nature of an IRA. However, it is not intended to be a substitute for the advice of your own attorney or tax adviser.

The IRS requires that you receive this Disclosure Statement at least seven days before you establish your IRA. Accordingly, the Custodian will not accept your application and open your account until at least seven days after the date you receive this Disclosure Statement, as indicated by you on your application. Once your application is accepted and your account opened, the value of your account upon any redemption will depend on the investment results of the funds selected.

### **2. What is Your IRA?**

Your IRA is a special kind of investment account which lets you build up your savings with valuable tax advantages. There are two tax advantages, one of which applies to everyone and one which applies to some people and not to others:

- (a) In every IRA, all earnings (interest, dividends, and capital gains) on your investments **accumulate tax-deferred** until you take them out eventually as part of your IRA distributions.
- (b) Also, you may be entitled to a current income tax deduction for your IRA contributions.

### **3. Your IRA Investments**

When you open a Neuberger Berman Investment Advisers LLC IRA, your contributions are invested in shares of the mutual funds in the Neuberger Berman family of funds. You select the fund or funds in which you wish to have your IRA invested; your money can easily be

moved from one fund to another in the group as you desire. The group includes a range of equity (common stock) funds, bond funds, and money market funds.

All dividends and capital gain distributions paid on the mutual fund shares in your IRA are reinvested in additional shares of the respective funds.

#### 4. Eligibility and Contributions

You are eligible to contribute to a regular IRA if you receive **earned income** or “compensation”. Compensation includes wages, salaries, fees, commissions, tips, bonuses, and other amounts you receive for services actually rendered by you. Compensation also includes earned income of a self-employed individual. Alimony is regarded as compensation for IRA contribution purposes. Compensation also include nontaxable combat pay if you are in the armed services and differential pay your employer pays during periods of active duty for more than 30 days. However, compensation **does not** include retirement-type income (including income from pension plans, profit sharing plans, annuity programs, Social Security, deferred compensation arrangements, etc.) Compensation also **does not** include investment income, such as dividends, interest, rents, or royalties.

If you are eligible, you can contribute up to \$5,500 annually to a regular IRA. However, if your compensation is less than \$5,500, you cannot contribute more than your compensation.

If you are at least age 50 by December 31 of the year to which a contribution relates, you may make a “catch-up” contribution to your IRA in addition to your annual contribution.

You can make contributions for each calendar year before the year in which you reach age 70½. You cannot make contributions for the calendar year in which you reach age 70½ or any later year.

#### 5. Spousal IRAs

If you are an eligible individual and your spouse has less than \$5,500 of compensation and you file a joint income tax return, you may establish a regular IRA for yourself and an IRA for your spouse. The maximum combined annual contribution to the two accounts is \$11,000 or 100% of your combined compensation, whichever is less. You may allocate the total between the two accounts as desired, except that neither account may receive more than \$5,500 annually. The two IRAs function in all respects as independent regular IRAs, except for the contribution limitation. If your spouse is older than you, you cannot contribute to your spouse’s IRA beginning in the year when he/she reaches age 70½, but you can continue to contribute up to \$5,500 annually to your own IRA before you reach that age.

If you have reached age 70½ but your spouse is not yet 70½, you can still contribute up to \$5,500 annually to his/her IRA out of your own compensation. If one of you reaches age 50 or older in the calendar year, you can increase your contribution by \$1,000, making the total \$12,000, or if both of you have reached age 50 or older during the year, your combined total may be \$13,000.

#### 6. Deadline for Contributions

April 15 is the final date for making an IRA contribution for the prior year, either by contributing to an existing IRA or by opening a new IRA. Your check must be in the mail by April 15. This deadline applies whether or not you have a filing extension for your tax return.

If you wish, you can file your tax return before you actually make your IRA contribution, provided that (a) the contribution actually is made by April 15 and (b) the tax return accurately shows the amount of the contribution and whether it is tax-deductible or non-deductible.

#### 7. Deductibility of Contributions

Here are the current rules regarding IRA deductibility:

- (a) If you are single and you are **not** covered under any employer’s retirement plan, your IRA contributions are **fully tax-deductible**.
- (b) If you are married and neither you nor your spouse is covered under an employer’s retirement plan, all IRA contributions by you and/or your spouse are **fully tax-deductible**.
- (c) However, if you **are** covered under an employer’s retirement plan—**or** if your spouse is covered, even if you are not — then your IRA deduction depends on the amount of your income. You may be entitled to a full deduction for your IRA contribution, a partial deduction, or no deduction at all.

Are you covered by an employer’s retirement plan? In most cases, it’s easy to tell one way or the other. But there are borderline cases which need explanation, especially if you have recently entered a plan. See Section 9 for a discussion of this question.

If you or your spouse are covered by a plan, and you need to calculate your allowable IRA deduction, your income is defined as your “modified AGI.” If you file Form 1040A, this is the amount on the Page 1 “Total Income” line. If you file Form 1040, your modified AGI is your adjusted gross income before taking any deduction for IRA contributions (and before any foreign earned income exclusion or foreign housing exclusion or deduction).

For individuals or couples where both spouses are covered under an employer's retirement plan, here's how the IRA tax deduction works, depending on your tax filing status and your modified AGI:

**For Tax Year 2018: If Your Tax Filing Status Is:**

---

<b>You Are Entitled To:</b>	<b>Single or Head of Household</b>	<b>Married, Filing Jointly* or Qualifying Widow(er)</b>
(A) A full deduction if AGI is not more than	\$63,000**	\$101,000**
(B) A partial deduction if AGI is within the "phase-out" range of	\$63,001 to \$72,999	\$101,001 to \$120,999
(C) No deduction if AGI is	\$73,000 or more	\$121,000 or more

---

\*If you are married and file a separate tax return, the threshold level in the above table is zero.

\*\*These income limits may be adjusted for the cost of living.



## Here's A Worksheet To Help You Calculate Your Reduced IRA Deduction For 2018

Important Notes: Use only if you or your spouse is covered by an employer plan and your modified AGI falls between the two amounts shown below for your coverage situation and filing status. If both you and your spouse contribute to your IRAs, calculate each deduction separately.

If you...	AND your filing status is...	AND your modified AGI is over...	THEN enter on line 1 below...
are covered by an employer plan	single or head of household	\$63,000	\$73,000
	married filing jointly or qualifying widow(er)	\$101,000	\$121,000
	married filing separately	\$0	\$10,000
are <b>not covered</b> by an employer plan, but your spouse is <b>covered</b>	married filing jointly	\$189,000	\$199,000
	married filing separately	\$0	\$10,000

1. Enter applicable amount from table above 1. \_\_\_\_\_
2. Enter your **modified AGI** (that of both spouses, if married filing jointly) 2. \_\_\_\_\_

**Note.** If line 2 is equal to or more than the amount on line 1, **stop here.** Your IRA contributions are not deductible.

3. Subtract line 2 from line 1. **If line 3 is \$10,000 or more (\$20,000 or more if married filing jointly or qualifying widow(er) and you are covered by an employer plan) stop here.** You can take a full IRA deduction for contributions of up to \$5,500 (\$6,500 if you are age 50 or older) or 100% of your (and if married filing jointly, your spouse's) compensation, whichever is less. 3. \_\_\_\_\_

4. Multiply line 3 by the percentage below that applies to you. If the result is not a multiple of \$10, round it to the next highest multiple of \$10. (For example, \$611.40 is rounded to \$620.) However, if the result is less than \$200, enter \$200.

Married filing jointly or qualifying widow(er) and you are covered by an employer plan, multiply line 3 by 25% (.25) (by 30% (.30) if you are age 50 or older).

All others, multiply line 3 by 50% (.50) (by 60% (.60) if you are age 50 or older).

4. \_\_\_\_\_

Of course, if your earned income is below \$5,500, your IRA contribution can't be greater than your earned income. In that case, your tax deduction also obviously can't exceed your earned income, no matter what the above calculation shows.

If your AGI is in the phase-out range, you have the choice of (a) limiting your contribution to the amount that is tax-deductible or (b) making an additional **non-deductible** contribution, as long as your total contribution does not exceed \$5,500.

## 8. Non-Deductible Contributions

As pointed out above, your annual IRA contribution is limited to a maximum of \$5,500 (\$6,500 if you are age 50 or older) or the amount of your earned income, whichever is less. If part or all of your permitted contribution is not tax-deductible, you can still make a **non-deductible contribution** of that amount.

### Example:

If you are single, you are “covered” under an employer’s retirement program, and your AGI is over \$73,000, you are not entitled to any IRA tax deduction. But you can make a non-deductible contribution of up to \$5,500 (\$6,500 if you are age 50 or older).

**Why make non-deductible contributions? Although there is no immediate tax benefit, you enjoy the great long-term advantage of having the money within your IRA grow tax-deferred until retirement, whether your contributions are deductible or not.**

Most distributions from an IRA at retirement are taxed as ordinary income. But to the extent that you have made non-deductible contributions, you will eventually be permitted to withdraw these amounts tax-free. (See Section 14.) If you have made or will make both deductible and non-deductible contributions, they can both be made to your IRA account. There is no need or reason to maintain two separate accounts.

In any year when you make a non-deductible contribution, you must file IRS Form 8606 with Form 1040 or Form 1040A.

## 9. Are You an “Active Participant”?

It is obviously important to know whether you or your spouse is “covered” under an employer’s retirement plan for purposes of the IRA deduction—or, to use the technical term, whether you or your spouse is an “active participant” in such a plan.

Your employer is required to give you this information. On Form W-2 that you receive from your employer at the end of the year, showing total compensation for the year and taxes withheld, there is a space to indicate if you are a pension plan participant. You should request this information if not provided and request a corrected Form W-2 if necessary.

It will be helpful to you to know the basic rules that define “active participant” status. In a **defined benefit** plan, which provides for a fixed benefit determined by a formula when you reach retirement age, you are considered an active participant if you were **eligible** to earn a benefit for any part of a given year, even if no contribution was made for you. In a **defined contribution** plan, which includes all money purchase, profit sharing, target benefit, SIMPLE Retirement Plans, and stock bonus plans, including 401(k) plans, you are generally counted as an active participant for a given year only if a contribution is required or if a contribution is actually made to your account. If there is no contribution required, the timing of the contribution may be significant. If it is your first year in a profit-sharing plan, and if the employer’s contribution is not made until after December 31, you may not be considered an active participant for that year.

You are not considered an active participant simply because you are covered under Social Security, or because you are covered under Railroad Retirement, or because you are receiving retirement benefits from a previous employer’s plan. There are certain other minor exceptions to the general rule.

## 10. If You Have a SEP-IRA

If your employer chooses to maintain a simplified employee pension program, commonly termed a “SEP,” the employer will deposit contributions into your IRA each year. In this case your IRA is called a “SEP-IRA,” and the usual \$5,500 limit doesn’t apply to your employer’s contributions. You can designate an IRA of your choice into which your employer’s SEP contributions will be made; there is a box on the Neuberger Berman Investment Advisers LLC IRA Application for indicating that you are opening a SEP-IRA. Your employer’s contributions are limited to the lesser of 25% of your compensation from your employer or \$55,000. These contributions are not treated as part of your income, and you do not take any tax deductions for them.

Being covered under an employer’s SEP does not stop you from also making your own IRA contributions of up to \$5,500 a year, subject to all the usual rules. You can make these contributions either to your SEP-IRA account or to a separate IRA account. However, for purposes of computing how much of your own contribution is tax-deductible, you are considered an active participant in a retirement plan if contributions are made for you under an employer’s SEP.

## 11. Rollovers From a Retirement Plan to an IRA

There are several ways to roll a distribution from an employer’s qualified retirement plan, 403(b) program, a SIMPLE Retirement Plan, or governmental 457(b) plan into an IRA and avoid owing current income tax on the distribution. Such an IRA may be termed a “rollover IRA.” A rollover from an employer’s plan or program can be made if you are the employee who earned the benefit under the plan, if you are the employee’s designated beneficiary who receives the benefit on account of the employee’s death, or if you are a spouse or former spouse and you receive a benefit under a qualified domestic relations order.

- (a) You can roll that distribution directly to an IRA. The IRS calls this a “Direct Rollover.” If a distribution eligible for rollover is not “directly rolled over” to a successor trustee/custodian, the distribution will be subject to a mandatory 20% withholding of Federal income tax. In order for your distribution to be considered “directly rolled over”, your present trustee/custodian must:
- (1) wire the distribution to the successor trustee/custodian,
  - (2) mail the distribution directly to the successor trustee/custodian, or
  - (3) give you the distribution in the form of a check negotiable only by the successor trustee/custodian.
- (b) If you choose to receive your distribution personally instead of “directly rolling it over” to an IRA, you can still roll over your distribution to an IRA within 60 days of receipt. However, if you choose to receive your distribution personally, 20% withholding for Federal income taxes will be deducted from your distribution by your present trustee/custodian. If you want to roll over 100% of the payment, you must contribute additional money to replace the 20% that was withheld.

A beneficiary cannot rollover a benefit he or she receives directly.

Not all distributions are eligible to be rolled over to an IRA. Those ineligible are:

- (1) required minimum distributions, and
- (2) distributions that are one of a series of substantially equal payments over your life expectancy (or the joint life expectancy of you and your beneficiary) or over a specified period of 10 or more years.

If you happen to receive your benefits from a plan in the form of property (that is, stocks, bonds, or other assets which are not cash), you may sell that property and roll over the proceeds into a rollover IRA without incurring any current income tax. However, you are not allowed to keep the property and contribute an equivalent value in cash to an IRA.

There is no dollar limit on the amount of such a rollover. Also, there is no age limit; such a rollover can be made even after age 70½ (but note that the IRA is then subject to the minimum distribution requirements that apply after age 70½ —see Section 14).

Rollover contributions can be made to the same IRA as regular contributions. The law permits your rollover IRA to be rolled over again at some later date into a new employer’s pension, profit sharing, or 403(b) program, or governmental 457(b) plan, if desired, and this can be an advantage in certain circumstances.

The rules regarding tax-free rollovers are complex and subject to frequent change; you should consult a professional tax adviser if you are considering such a rollover.

Serious tax consequences will follow if you make a rollover contribution of retirement plan benefits more than 60 days after you receive them; or if you make a rollover contribution of benefits from a retirement plan which wasn’t “qualified” for tax purposes at the time your benefits were paid, or if a portion of the amount you rolled over was not eligible to be rolled over. In any of these cases, it is essential that you obtain competent professional advice as soon as possible.

## **12. Rollovers and Transfers Between IRAs and SIMPLE Retirement Plans**

You may also use the rollover procedure to move funds from one IRA to another. You can do this by withdrawing part or all of the funds in the first IRA and depositing the amount withdrawn into the second IRA within 60 days. If you wish, you can roll over only part of the amount withdrawn and treat the balance as a taxable distribution.

However, a more frequently used procedure for moving money between IRAs is to have the money transferred directly from the custodian/trustee of the first IRA to the custodian/trustee of the second, without the money being paid out to you at all.

This direct transfer procedure avoids possible problems with the 60-day limit and also gives you more flexibility. If you use the rollover procedure and have the money actually paid out to you from the first IRA before redepositing it in the second IRA, you may only do this once for any IRA account in any 12-month period.

However, if you have the money transferred directly as described above, the once-a-year limit doesn’t apply, and you can make such transfers as often as desired.

If you have been a participant in a SIMPLE Retirement Plan for two years or more, you may roll over or transfer money from your SIMPLE account to an IRA.

Neuberger Berman Investment Advisers LLC has forms available for investors desiring to transfer an existing IRA with another fund group, bank, etc., into a Neuberger Berman Investment Advisers LLC IRA.

## **13. Excess Contributions**

An “excess contribution” occurs when you make a regular contribution (deductible or non-deductible) which exceeds the lesser of your compensation or \$5,500; or when you make a regular contribution (deductible or non-deductible) after you have reached age 70½. Such an amount is treated as an “excess contribution,” and you are subject to an IRS penalty tax equal to 6% of the excess amount for each year that the excess remains in your IRA.

The 6% penalty tax may be avoided by withdrawing the excess contribution (plus any earnings on it) before the due date for your Federal tax return for the year in which you made the contribution. (You are subject to income tax and, if you are younger than 59½, a 10% penalty tax on any **earnings** on the contribution, but not on the contribution itself.) If you don't withdraw the excess amount, you can pay the 6% penalty tax and then apply the excess amount as a contribution for the following year (up to the usual limit of \$5,500 per year, or \$6,500 if you are age 50 or older) in place of putting in new money, as long as you have not reached age 70½.

## 14. Distributions From Your IRA and Their Taxation

### A. General Rule

Distributions from IRAs are generally taxed as ordinary income; they don't qualify for any special tax treatment. A lump sum distribution from a qualified retirement plan may be eligible for special tax treatment, but a distribution from an IRA is taxed as ordinary income, even if it comes from a rollover IRA which was originally set up with a distribution from a qualified retirement plan.

There are three important exceptions. An IRA distribution is **not** taxable as ordinary income to the extent that:

- It is a return of an "excess contribution," as described in Section 13; or
- It is rolled over within 60 days into another IRA or a qualified plan, 403(b) program, or 457 plan; or
- It represents a return of your non-deductible contributions.

The various rules regarding IRA distributions and their taxation are complex, and it is wise to consult with your tax adviser if you are contemplating taking IRA distributions, or if you are approaching age 70½, when distributions become mandatory. The remainder of this section summarizes some of the rules governing distributions.

### B. Withholding of Federal Income Taxes

Distributions from an IRA are subject to 10% Federal income tax withholding, unless you (or your beneficiary) elect not to have withholding apply. In order to process your request for a distribution, your request must be in writing and include your election as to whether or not you want Federal income taxes withheld.

### C. Non-Taxable Returns of Non-Deductible Contributions

If you have ever made non-deductible contributions to any IRA, part of your IRA distributions will be regarded as a return of those contributions and will be **non-taxable**.

Eventually, you will receive total non-taxable distributions that exactly equal the dollar total of your non-deductible contributions. But you can't choose which distributions will be non-taxable. For any calendar year in which you take distributions, the IRS gives you a formula by which you must calculate the taxable and non-taxable portions. The calculation is made on Form 8606, the same form that you must use to report any non-deductible contributions. While there are certain adjustments, the portion of each year's distribution which is non-taxable is determined basically by the ratio of (a) your total past non-deductible contributions to (b) the total value of all your IRAs at the end of the year. If you roll over after-tax contributions to a qualified plan that is rolled over to an IRA, you need to account for those contributions separately.

### D. Minimum Distributions After Age 70½

You **must** begin withdrawals from your IRA by April 1 of the year after the year in which you reach age 70½. The minimum amount you must withdraw is determined by life expectancy tables published by the IRS.

If your distributions in any year after you reach age 70½ are less than the required minimum, you will be subject to a penalty tax equal to 50% of the amount that should have been distributed but wasn't.

When you reach age 70½, forms are available from Neuberger Berman Investment Advisers LLC by which you can instruct the Custodian to establish an appropriate schedule of distributions. You are responsible for monitoring this schedule from year to year to make sure that you are withdrawing the required minimum amount.

## E. Distributions Before Age 59½ and the Penalty Tax

Generally, any distribution you receive from an IRA before the day you reach age 59½ is subject to a 10% penalty tax imposed by the IRS, in addition to ordinary income tax. There are exceptions. Distributions are not subject to the penalty tax in any of the following cases:

1. You have become permanently disabled.
2. You die before age 59½ and distributions are made to your beneficiary or estate after your death.
3. You elect to receive a series of substantially equal periodic payments made at least annually, which are calculated to last for your life expectancy, or the joint life expectancy of you and your beneficiary.
4. You use the withdrawals to pay unreimbursed medical expenses that exceed 10% of your adjusted gross income.
5. You use the withdrawals to pay for health insurance premiums for you or your family if you are unemployed and you have received at least 12 weeks of Federal or State unemployment compensation.
6. You use the withdrawals to pay for qualified higher education expenses for you, your spouse or any child or grandchild of you or your spouse.
7. You use the withdrawals to pay expenses incurred in the purchase of a primary residence if you are a qualified first-time home buyer. In this case the most you can withdraw penalty-free during your lifetime is \$10,000.
8. You have made non-deductible contributions to your IRA. In that case, a portion of your distributions is not subject to income tax (see Section 14 C), and that same portion also is not subject to the penalty tax if the distribution is made before age 59½.
9. A distribution is made to your former spouse or for child support pursuant to a court order.
10. The distribution is made after you have been called to active military duty for at least 180 days or for an indefinite period.

## F. Distributions After Your Death

If there is a balance in your IRA when you die, it will be paid to your designated beneficiary in the manner that he or she may elect. As with distributions during your lifetime, distributions after your death may be made either in a single lump sum or in a series of periodic payments.

Certain minimum distribution rules also apply after your death. Because of the complexities of these rules, and because the handling of your IRA benefits after your death could have important consequences for your overall estate plan, we urge anyone with substantial IRA assets to consult with a qualified tax and estate planning adviser. Please refer to IRS Publication 590-B for additional information.

## 15. Prohibited Transactions and Pledges

If you engage in any "prohibited transaction" involving your IRA, it permanently loses its status as an IRA, and you are taxed as if you received the entire value of the account on the first day of the year in which the prohibited transaction occurs. A prohibited transaction includes any sale or exchange of property between you and your IRA; any loan between you and your IRA; or any payment made directly to you from another person on account of investments made in your IRA.

If you **pledge** any portion of your IRA as security for a loan, the penalty is not as severe, but the part that is pledged is treated as having been distributed to you. Note that any amount treated as distributed to you because of a prohibited transaction or a pledge will generally be subject to normal income taxes, and will also result in a 10% penalty tax if you are under age 59½.

There are restrictions on IRA investments of which you should be aware. An IRA may not hold any kind of life insurance policy or any endowment policy providing life insurance protection. An IRA also may not invest in any so-called "collectibles", which include art, rugs, antiques, stamps, coins, gems, metals, and similar items. There are certain limited exceptions to this rule. Any IRA funds spent on such items will be treated as having been distributed to the IRA owner. These prohibitions will not affect your Neuberger Berman IRA since it can only be invested in shares of our funds.

## 16. Reports to the Internal Revenue Service

The Custodian of your IRA files Form 5498 with the Internal Revenue Service for each calendar year in which there is any balance in your IRA. The Custodian will send you a copy of Form 5498; you do not need to attach a copy to your tax return, but the information on Form 5498 will help you to meet your own record keeping and reporting obligations. This form is mailed to you each year between April 15 and May 31.

If you make a tax-deductible contribution to an IRA, you should report it on Form 1040 or Form 1040A on the designated line. If you make a non-deductible contribution, you should report it on a separate Form 8606 which you file with Form 1040 or Form 1040A. Shortly after the end of each calendar year, the Custodian will send you an IRA valuation statement to help you in completing Form 8606.

If you receive distributions from your IRA, you must report them on Form 1040 or Form 1040A. If you have made any non-deductible contributions to your IRA, so that a portion of your IRA distributions is non-taxable, you must file Form 8606 with Form 1040 or Form 1040A to show the amount that is taxable.

If you receive distributions from an employer's qualified retirement plan, 403(b) program or governmental 457(b) plan, which you roll over into an IRA, you must report (a) the total distribution and (b) any net taxable portion (that is, the total distribution less any amounts rolled over) on the appropriate lines of Form 1040 or Form 1040A.

If you take funds out of one IRA and roll over the entire amount into another IRA within 60 days, the withdrawal from the first IRA and the taxable amount (in this case, zero) must be reported on Form 1040 or Form 1040A. However, if you arrange a transfer of funds directly from one IRA custodian/trustee to another IRA custodian/trustee, you should not report anything.

Form 5329 is used to report various penalty taxes due. You must file Form 5329 for any year in which:

- You make an excess contribution to your IRA which you don't withdraw in time to avoid the 6% penalty tax;
- You receive a premature distribution from your IRA (a distribution before you reach age 59½); you must file Form 5329 whether the distribution is subject to the 10% penalty tax, or whether it is exempt from the tax under one of the exceptions described earlier;
- You take less than the required minimum distribution after age 70½, triggering a 50% penalty tax on the amount that should have been distributed and wasn't.

## 17. Fees and Expenses

You will not pay any annual IRA fee if the total of all your Neuberger Berman Investment Advisers LLC IRAs is \$25,000 or more. If your total IRA balances are less than \$25,000, your annual IRA fee will be only \$15 regardless of the number of IRA accounts or funds you own. We will review all IRA accounts as of September 30 of each year to determine which of our IRA shareholders are eligible for our no-fee program. The fee (if any) may be separately billed or collected through automatic redemption of shares.

As provided in the Custodial Agreement, the fees and expenses associated with your IRA may be changed from time to time; you will be sent written notice before any change becomes effective.

## 18. Miscellaneous

Your IRA account is a custodial account established exclusively for your benefit, with UMB Bank, n.a. acting as custodian. Please be aware, however, that assets in your IRA may become subject to other persons' claims in the event you become separated, divorced, responsible for child support, insolvent or bankrupt, or subject to an IRS levy as described in Code Section 6331.

The form of the Neuberger Berman Investment Advisers LLC IRA has been approved by the Internal Revenue Service. This represents only approval of legal requirements used in the Disclosure Statement and the Custodial Agreement which follows, and does not represent any Internal Revenue Service approval of the investment or other merits of the Neuberger Berman Investment Advisers LLC IRA. For additional information regarding IRAs, you can obtain IRS Publications 590-A and 590-B at [www.irs.gov](http://www.irs.gov) or calling the Internal Revenue Service at 800-829-3676.

## IRA Custodial Agreement

---

The investor (the "Depositor") who has completed and whose name appears on the IRA application distributed to the despositor with this custodial agreement is establishing an individual retirement account under section 408(a) of the Internal Revenue Code (the "Code") with the Neuberger Berman funds to provide for his or her retirement and for the support of his or her beneficiaries after death. UMB Bank, n.a. (the "Custodian") has given the depositor the disclosure statement preceding this custodial agreement as required under the Income Tax Regulations (the "Regulations") section 1.408-6. The depositor has delivered to the Custodian, or authorized a transfer to the Custodian, a cash amount identified on the IRA application signed by the depositor (the "application").

The following sets forth the custodial agreement between the Depositor and the Custodian, which the Depositor has entered into by delivering the application to the Custodian:

### Article I

---

1. Except in the case of a rollover contribution (as permitted by Internal Revenue Code Sections 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) and 457 (e)(16)) or a contribution made in accordance with the terms of a Simplified Employee Pension (SEP) as described in Code Section 408(k), no contribution will be accepted unless they are in cash, and the total contribution shall not exceed \$5,500 for any taxable year beginning in 2018 and years thereafter. After 2018, the limit will be adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D). Such adjustments will be in multiples of \$500.
2. In the case of an individual who is 50 or older, the annual cash contribution limit is increased by \$1,000 for any taxable year beginning in 2006 and years thereafter.
3. In addition to the amounts described in paragraphs (a) and (b) above, an individual may make additional contributions specifically authorized by statute—such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.
4. No contributions shall be accepted under a SIMPLE IRA plan established by an employer pursuant to Code Section 408(p). Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.
5. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C), no contributions will be accepted.

### Article II

---

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

### Article III

---

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of Code Section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of Code Section 408(m)) except as otherwise permitted by Code Section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

### Article IV

---

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the Depositor's interest in the custodial account shall be made in accordance with the following requirements and shall otherwise comply with Code Section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.



2. The Depositor's entire interest in the custodial account must be, or begin to be, distributed not later than the Depositor's required beginning date, April 1 following the calendar year in which the Depositor reaches age 70½. By that date, the Depositor may elect, in a manner acceptable to the Custodian, to have the balance in the custodial account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the Depositor or the joint lives of the Depositor and his or her designated beneficiary.
  - (c) The amount to be distributed each year beginning with the calendar year in which the Depositor attains age 70½ and continuing through the year of death, shall not be less than the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the Depositor's age as of his or her birthday in the year. However, if the Depositor's sole designated beneficiary is his or her surviving spouse and such spouse is more than 10 years younger than the Depositor, then the distribution period is determined under the Joint and Last Survivor Table in Q&A-3 of Section 1.401(a)(9)-9 of the Income Tax Regulations, using the ages as of the Depositor's and spouse's birthdays in the year.
  - (d) The required minimum distribution for the year the Depositor reaches 70½ can be made as late as April 1 of the following year. The required minimum distribution for any other year must be made by the end of such year.
3. If the Depositor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:
  - (a) If the Depositor dies on or after the required beginning date and:
    - (i) the designated beneficiary is the Depositor's surviving spouse, the remaining interest will be distributed over the surviving spouse's life expectancy as determined each year until such spouse's death, or over the period in paragraph (a)(iii) below if longer. Any interest remaining after the spouse's death will be distributed over such spouse's remaining life expectancy as determined in the year of the spouse's death and reduced by 1 for each subsequent year, or if distributions are being made over the period in paragraph (a)(iii) below, over such period.
    - (ii) the designated beneficiary is not the Depositor's surviving spouse, the remaining interest will be distributed over the beneficiary's remaining life expectancy as determined in the year following the death of the Depositor and reduced by 1 for each subsequent year, or over the period in paragraph (a)(iii) below if longer.
    - (iii) there is no designated beneficiary, or if applicable by operation of paragraph (a)(i) or (a)(ii), the remaining interest will be distributed over the remaining life expectancy of the Depositor as determined in the year of the Depositor's death and reduced by 1 for each subsequent year.
  - (b) If the Depositor dies before the required beginning date and:
    - (i) the designated beneficiary is someone other than the Depositor's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Depositor's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Depositor's death, or, if elected, in accordance with paragraph (b)(iii) below. If this is an inherited IRA within the meaning of Code Section 408(d)(3)(C) established for the benefit of a non-spouse designated beneficiary by a direct trustee-to-trustee transfer from a retirement plan of a deceased individual under Code Section 402(c)(11), then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the non-spouse designated beneficiary may elect to have distributions made under this paragraph (b)(i) if the transfer is made no later than the end of the year following the year of death.
    - (ii) the Depositor's sole designated beneficiary is the Depositor's surviving spouse, the entire interest will be distributed starting by the end of the calendar year following the calendar year of the Depositor's death (or by the end of the calendar year in which the individual would have attained age 70½, if later), over such spouse's life expectancy, or, if elected, in accordance with paragraph (b)(iii) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with paragraph (b)(iii) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the spouse's remaining life expectancy, determined using the spouse's age as of his or her birthday in the year of the spouse's death.
    - (iii) there is no designated beneficiary, or if applicable by operation of paragraph (b)(i) or (b)(ii) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Depositor's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under paragraph (b)(ii) above).



- (c) The amount to be distributed each year under paragraph (b)(i) or (ii) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such paragraph. Life expectancy is determined using the Single Life Table in Q&A-1 of Section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age in the year specified in paragraph (b)(i) or (ii) and reduced by 1 for each subsequent year.
4. If the Depositor dies before his or her entire interest has been distributed and if the designated beneficiary is not the Depositor's surviving spouse, no additional contributions may be accepted in the account.
  5. The owner of two or more IRAs may satisfy the minimum distribution requirements described above by taking from one traditional IRA the amount required to satisfy the requirement for another in accordance with Q&A-9 Section 1.408-8 of the Income Tax Regulations. If this is an inherited IRA within the meaning of Section 408(d)(3)(C) of the Code, this paragraph 5 shall not apply.
  6. For this purpose, the value of the IRA includes the amount of any outstanding rollover, transfer and recharacterization under Q&A-7 and 8 of Section 1.408-8 of the Income Tax Regulations.
  7. If the sole designated beneficiary is the Depositor's surviving spouse, the spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes a contribution to the IRA or fails to take required distributions as a beneficiary.
  8. The required minimum distribution payable to a designated beneficiary from this IRA may be withdrawn from another IRA the beneficiary holds from the same decedent in accordance with Q&A-9 of Section 1.408-8 of the Income Tax Regulations.

## Article V

---

### Conversion of Distributions from the Account

Generally, the Depositor may convert any or all of the distributions from the account for deposit into a Roth IRA ("conversion amount(s)"). However, any minimum distribution from the account required by Code Sections 408(a)(6) and 401(a)(9) and applicable regulations for the year of the conversion cannot be converted to a Roth IRA. The Depositor (or the Depositor's authorized agent) shall designate in a form and manner acceptable to the Custodian each conversion amount as such to the Custodian and by such designation shall confirm to the Custodian that a proposed conversion amount qualifies as a conversion within the meaning of Code Section 408A(c)(3), 408A(d)(3) and 408A(e), except that any conversion contribution shall not be considered a rollover contribution for purposes of Code Sections 408(d)(3)(B) of the Code relating to the one rollover per year rule. Conversions must generally be made by December 31 of the year to which the conversion relates. Conversions made via a 60-day rollover must be deposited in a Roth IRA within 60 days.

## Article VI

---

### Recharacterization of Contributions

Effective with tax years beginning after December 31, 2017, a conversion of a traditional IRA to a Roth IRA, and a rollover from any other eligible retirement plan to a Roth IRA, cannot be recharacterized as having been made to a traditional IRA. If you made a conversion in the 2017 tax year, you have until the due date (including extensions) for filing the return for that tax year to recharacterize the conversion.

Annual contributions held on behalf of the Depositor in the account may be transferred ("recharacterized") via a trustee-to-trustee transfer to a trustee or Custodian of a Roth IRA established for the Depositor, if so directed by the Depositor, in a form and manner acceptable to the Custodian. It shall be the Depositor's responsibility in all cases to ensure that the recharacterization is permissible and satisfies the requirements of Code Section 408A and any related regulations, and any applicable guidance issued by the Internal Revenue Service.

A contribution that constitutes a recharacterization of a prior contribution or conversion must be made by the deadline for filing the Depositor's income tax return for the year the contribution or conversion, as applicable, relates or such later date as authorized by the Internal Revenue Service.

## Article VII

---

1. The Depositor agrees to provide the Custodian with all information necessary to prepare any reports required by Code Section 408(i) and Income Tax Regulations Sections 1.408-5 and 1.408-6.
2. The Custodian agrees to submit to the Internal Revenue Service (IRS) and Depositor the reports prescribed by the IRS including annual calendar year reports concerning the status of the account and required minimum distribution information.

## Article VIII

---

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles inconsistent with Code Section 408(a) and the related regulations will be invalid.

## Article IX

---

### Amendments

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of Neuberger Berman Investment Advisers LLC, the Depositor, and the Custodian.

## Article X

---

### Additional Definitions

For purposes of this agreement, the following terms shall have the meanings specified:

"Fund" means a registered investment company for which Neuberger Berman Investment Advisers LLC serves as the investment adviser.

"Shares" means shares of one or more funds.

"Account" means the individual retirement account created and maintained by the Depositor under this agreement.

## Article XI

---

### Investment and Management of Account

All amounts credited to the Depositor's account shall be invested by the Custodian in accordance with the following provisions:

1. All amounts in the account shall be invested at all times only in shares of one or more funds, except to the extent certain amounts are held from time to time in cash pending investment, distribution, or application to charges.
2. The fund or funds into which the initial contribution is to be invested shall be designated by the Depositor on the application. Each subsequent contribution shall be invested in accordance with written instructions provided by the Depositor with the contribution.
3. By instructing the Custodian to invest assets of the account in shares of a particular fund, the Depositor represents that he or she has received and reviewed the current prospectus for that fund.
4. If the Depositor fails to provide investment instructions for any contribution, or if the Custodian deems the instructions unclear, the Custodian may return all or a portion of the contribution or hold it uninvested, without liability for interest or for loss of income or appreciation, pending its receipt of instructions or clarification.
5. From time to time the Depositor may instruct the Custodian to liquidate some or all of the shares of any fund held in the account, and to invest the proceeds in shares of another fund. Such instructions shall be given in writing, electronically or by telephone in accordance with such procedures as are set forth in the fund's prospectus or as may be determined by the fund and Neuberger Berman Investment Advisers LLC from time to time.

6. If, and for as long as, a balance remains in the account following the death of the Depositor, the designated beneficiary shall succeed to the Depositor's rights and responsibilities regarding the selection of investments in the account and shall thereafter be deemed "the Depositor" for purposes of the investment and management of the account. Where there is more than one beneficiary, unless separate accounts are set up for each beneficiary, all of them must identify to the Custodian the single beneficiary who shall succeed to the Depositor's rights and responsibilities in this regard.
7. All dividends and capital gain distributions received in cash by the account on shares of a fund shall be reinvested in additional shares of that fund, if available. Where the holder of shares may elect to receive any such distribution either in shares or cash, the Custodian shall elect to receive it in shares.
8. Neither Neuberger Berman Investment Advisers LLC nor the Custodian shall have any duty to question the instructions of a Depositor regarding the investment of the account, or to advise the Depositor as to the purchase, retention, or sale of the shares held in the account. None of Neuberger Berman Investment Advisers LLC, the Custodian, or any of their employees, directors, agents, or affiliates shall be liable for any loss resulting from the Depositor's management and control of the account.
9. If the Depositor fails to respond to communications from Neuberger Berman Investment Advisers LLC mailed to the Depositor's last known address as provided to Neuberger Berman Investment Advisers LLC, or if Neuberger Berman Investment Advisers LLC has received evidence from an appropriate judicial or administrative authority that the Depositor is incompetent, Neuberger Berman Investment Advisers LLC will continue to invest the Depositor's account pursuant to the last instructions from the Depositor. Instructions received from the Depositor after Neuberger Berman Investment Advisers LLC has received evidence issued from an appropriate judicial or administrative authority that the Depositor is incompetent will be disregarded; however, Neuberger Berman Investment Advisers LLC will comply with instructions of the Depositor's court-appointed guardian or other legal administrator of the Depositor's affairs. If any funds in which the Depositor invests are dissolved, the fund shares will be redeemed and distributed unless investment instructions are received from the Depositor prior to the liquidation. If a redemption takes place, taxes and penalties may apply and the distribution will be subject to the additional 10% federal income tax withholding.

## Article XII

---

### Representations and Responsibilities of Depositor

1. The Depositor represents that, at least seven days prior to opening the account with the Custodian, he or she has read the attached IRA disclosure statement as well as this custodial agreement, and has, to the extent necessary or appropriate, discussed with his or her own financial and tax advisers the suitability of establishing and maintaining this individual retirement account with Neuberger Berman Investment Advisers LLC and the Custodian.
2. The Depositor shall be solely responsible for assuring that the contributions to this account comply with the limitations applicable from time to time under the Code. In no event shall Neuberger Berman Investment Advisers LLC or the Custodian be responsible for determining whether any contribution from the Depositor is within the limits prescribed by the Code for deductible or non-deductible IRA contributions, nor shall they be liable for any tax, penalty, or other charge imposed on account of any "excess" or otherwise improper contribution. In the case of any contributions which exceed the limitations for annual deductible and non-deductible contributions, the Depositor shall represent to Neuberger Berman Investment Advisers LLC and the Custodian either:
  - (a) that any such contribution is a rollover of an amount withdrawn from another individual retirement account within the preceding 60 days, and that the Depositor has not made another such rollover of an individual retirement account within the preceding 12 months; or
  - (b) that any such contribution is an "eligible rollover distribution" received from a qualified retirement plan, SIMPLE Retirement Plan, 403(b) program or governmental 457(b) plan within the preceding 60 days (or the proceeds from the sale of assets received in kind from such a distribution). Eligible rollover distributions do not include any amounts representing the Depositor's own after-tax contributions, or substantially equal payments spread over the Depositor's life expectancy or the Depositor's and his or her beneficiaries' joint life expectancy, or payments spread over a period of ten or more years, or minimum required distributions; or
  - (c) a recharacterization under Section 1.408A-5 of the Income Tax Regulations.
3. Any contribution shall be treated by the Custodian as made with respect to the calendar year in which it is received unless the contribution is made between January 1 and April 15, and the Depositor identifies the contribution as being made with respect to the preceding year.
4. Any fees paid by the Depositor for the services of an investment adviser shall be paid solely from the account. The Depositor has no obligation or right to pay investment advisory fees with personal funds.

## Article XIII

---

### Holding and Voting of Shares

All shares held by the Custodian for the account shall be registered in the name of the Custodian or of its nominee, with or without identifying the Depositor. The Custodian shall deliver to the Depositor, or cause to be delivered, all notices, prospectuses, financial statements, proxies, and proxy soliciting materials related to the shares held in the account. The Custodian shall vote the shares in the account in accordance with instructions given by the Depositor. However, if the Depositor fails to provide instructions on how to vote the shares in the account, the Custodian shall vote the undirected shares in the same proportion as shares are voted considering all shares of the fund for which instructions are received.

## Article XIV

---

### Distributions to Depositor or to Beneficiary

The Custodian shall make payments, or arrange for payments to be made, from the assets of the account to the Depositor or, following the Depositor's death or pursuant to a court order to his or her beneficiary, in accordance with the following provisions:

1. The Custodian shall pay such amounts to the Depositor or beneficiary as he or she shall request by written or telephonic instructions to the Custodian from time to time. However, the Custodian shall not be required to make any payments in the absence of instructions from the Depositor specifying the occasion for the distribution and the manner of payment, except where the Custodian is specifically directed by any court order, in which case the Custodian shall make payment as directed under such court order. The order must specify the beneficiary to whom, the amount, and manner in which payments will be made. The Depositor or beneficiary shall see that payments are made from the account in such amounts and by such times so as to satisfy the minimum distribution rules set forth in Article IV.
2. In no event shall Neuberger Berman Investment Advisers LLC or the Custodian be responsible for assuring that distributions from the account to the Depositor or beneficiary either avoid extra taxes on premature distributions or comply with the minimum distribution rules, nor shall they be liable for any tax, penalty, or other charge imposed on account of any distribution or any failure to make a required distribution.
3. Notwithstanding Article IV, distributions from the account shall be made solely in cash or in shares, and shall be made only in one of the following forms:
  - (a) A single lump sum or number of shares which represents the entire balance in the account.
  - (b) A sum or number of shares specified by the Depositor or beneficiary which represents less than the entire balance in the account.
  - (c) A payment, made at regular monthly, quarter-annual, semi-annual, or annual intervals, of a sum calculated by the Custodian in accordance with the Depositor's election to have the account distributed over a period certain not greater than his or her life expectancy, or the joint life and last survivor expectancy of the Depositor and his or her designated beneficiary.

The account shall not be distributable in any form of annuity contract or obligation; if the Depositor or beneficiary desires an annuity, he or she shall remove the desired amount from the account and transfer it to an insurer in exchange for the desired annuity.

## Article XV

---

### Designation of Beneficiary

1. The Depositor shall designate one or more beneficiaries of any undistributed balance remaining in the account upon the Depositor's death. The Depositor's designation(s) shall be in writing in a form acceptable to Neuberger Berman Investment Advisers LLC or the Custodian, signed by the Depositor and filed with the Custodian no later than 20 days following the Depositor's death. Beneficiary designations may be changed or revoked by a Depositor at any time. The most recently dated designation shall be controlling and shall revoke any previously filed inconsistent designation, and Neuberger Berman Investment Advisers LLC and the Custodian shall be fully protected with respect to any payment made in accordance with the most recent designation.
2. Except as provided in the following paragraph, the Depositor shall name an individual to be the "designated beneficiary." The Depositor's designated beneficiaries are generally determined as of the September 30th of the calendar year following the calendar year of the Depositor's death. The Depositor's designated beneficiaries may be determined no later than December 31st of the calendar year following the calendar year of the Depositor's death if the Depositor divides his or her account into separate accounts and names different individuals as the beneficiary for each separate account.

3. If the Depositor does not name an individual to be the “designated beneficiary,” the Depositor may designate a qualified trust as a beneficiary. The trust beneficiary, who is an individual (not the trust itself) may be treated as the “designated beneficiary” if the trustee provides a list of the trust’s beneficiaries by October 31st of the calendar year following the calendar year of the Depositor’s death.
4. A beneficiary designation may include an election by the Depositor as to the manner in which the beneficiary’s interest in the account should be distributed; the Depositor may permit the beneficiary to elect or change the manner of distribution after the Depositor’s death. The Depositor shall be responsible for assuring that the manner of payment which he or she elects for a beneficiary complies with the minimum distribution rules set forth in Article IV.
5. If the Depositor fails to file a proper beneficiary designation, or if no designated beneficiary survives the Depositor, the Depositor’s surviving spouse, if any, shall be the beneficiary, or if there is no surviving spouse, the beneficiary shall be the Depositor’s estate. Neuberger Berman Investment Advisers LLC and the Custodian shall be fully protected in relying on information provided by the executor or administrator of the Depositor’s estate in this regard.
6. If a beneficiary survives the Depositor but then dies before receiving his or her entire interest in the account, the remaining portion of that interest shall be distributed to the beneficiary’s estate except as otherwise provided (i) in the Depositor’s beneficiary designation or (ii) in a supplementary designation filed by the spousal beneficiary after the Depositor’s death.
7. A beneficiary shall have no right to sell, assign, transfer, pledge, or hypothecate any of his or her interest in the account, and except as provided in Article XIV, paragraph 1 of this agreement, the account shall not be liable for the beneficiary’s debts or be subject to any seizure, attachment, execution, or other legal process in respect thereto.

## Article XVI

---

### Fees and Expenses

1. The fees of Neuberger Berman Investment Advisers LLC and the Custodian in connection with the establishment, operation, and termination of the account shall be established and communicated to the Depositor from time to time. All such fees, together with any expenses (including but not limited to fees for legal services and taxes of any kind levied or assessed with respect to the account) relating to the account, shall be collected from the cash available in the account or from the proceeds of shares sold for this purpose, unless the Depositor, with Neuberger Berman Investment Advisers LLC’s and the Custodian’s consent, pays such fees and expenses by separate check.
2. If it becomes necessary to sell shares for this purpose and there are shares of more than one fund in the account, the Depositor shall specify to the Custodian which shares are to be sold; in the absence of instructions from the Depositor within 10 days of the Custodian’s request, it may sell whichever shares it chooses. Neither Neuberger Berman Investment Advisers LLC nor the Custodian shall be liable on account of the sale of any of the account’s assets under these circumstances.

## Article XVII

---

### Duties and Rights of Custodian

1. The Custodian shall keep adequate records of transactions it is required to perform under this agreement. Within five months after the end of each calendar year for which the account is in effect, or within 60 days after the Custodian’s resignation or removal under Article XVIII, the Custodian shall render to the Depositor a written report or reports reflecting the transactions effected by it since the preceding report and the assets held by it at the close of the year or other reporting period. Except with respect to items which the Depositor identifies to the Custodian in writing within 60 days after the date of such a report, the Custodian shall thereafter be forever released and discharged from all liability and accountability to anyone with regard to its actions and the transactions disclosed on its reports.
2. The Custodian shall be an agent of the Depositor to receive and invest contributions as directed by the Depositor, to hold and distribute such investments, and to keep adequate records and make appropriate reports, all in accordance with this agreement. The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied. The Custodian may perform any of its administrative duties through other persons designated by the Custodian from time to time (as long as all shares in the account are always registered in the name of the Custodian or its nominee), and no such designation or change of designation shall be treated as an amendment of this agreement.

3. The Depositor shall indemnify and hold the Custodian harmless from any and all claims and liabilities arising out of the performance of this agreement, except those which arise from the Custodian's negligence or willful misconduct, including its failure to observe the terms of the Depositor's or a beneficiary's directions as to one or a series of distributions from the account, which directions are consistent with the provisions of Articles IV and XIV. Notwithstanding any other provision of this agreement and any instructions or directions of the Depositor or a beneficiary to the contrary, the Depositor shall indemnify and hold the Custodian harmless for any distribution or other transfer of all or any portion of the Depositor's account made in accordance with the terms of any court order as provided in Article XIV, paragraph 1. The Custodian shall not be obligated or expected to commence or defend any legal or other proceeding in connection with this agreement except as specifically agreed upon by the Custodian and the Depositor, with the Custodian indemnified to its satisfaction.

## Article XVIII

---

### Resignation or Removal of Custodian

1. The Custodian may resign at any time upon at least 30 days' written notice to the Depositor, and may be removed by the Depositor at any time upon at least 30 days' written notice to the Custodian. Upon such resignation or removal, the Depositor shall appoint a successor custodian to serve under this or a successor custodial agreement, provided that any successor custodian must satisfy the requirements of Section 408(a)(2) of the Code.
2. Upon the Custodian's receipt of a successor custodian's acceptance of its appointment, the Custodian shall transfer the assets of the account together with copies of all relevant records. However, the Custodian may reserve such portion of the account as it believes appropriate for payment of all fees, expenses, and other liabilities which are properly chargeable against the account.
3. After the Custodian has transferred the assets of the account (less any reserved portion) to the successor custodian, it shall be relieved of all further duties and liability with respect to this agreement and the account, and shall not be liable for any acts or omissions of any successor custodian.
4. If within 30 days after the Custodian's resignation or removal (or such longer time as the Custodian may agree to) no successor custodian has been appointed and accepted, the account shall be terminated in accordance with Article XIX.

## Article XIX

---

### Termination and/or Transfer of Account

The Depositor may terminate this account at any time upon 30 days written notice to Neuberger Berman Investment Advisers LLC. Upon such termination, or upon termination of the account for lack of a successor custodian under Article XVIII, the Custodian shall transfer in cash or in kind, as elected by the Depositor, the assets of the account, less any portion reserved for fees, expenses, and liabilities, to the Depositor or to the Custodian or trustee of another individual retirement account designated by the Depositor. Neither Neuberger Berman Investment Advisers LLC nor the Custodian shall be liable for any losses due to the acts or omissions of any such transferee custodian or trustee. The Depositor shall be responsible for giving proper instructions with respect to any minimum distribution required to be made before transferring or rolling over the assets of the account to another custodian or trustee.

## Article XX

---

### Miscellaneous

1. The Custodian shall submit those reports to the Internal Revenue Service and the Depositor which are required of it under the Code, as provided in Article VII. The Depositor understands that he or she is completely responsible for reporting on his or her own tax returns:
  - (i) contributions to the account for purposes of taking deductions,
  - (ii) contributions to the account which are not deductible, including rollovers from other individual retirement accounts, SIMPLE Retirement Plans, qualified retirement plans, 403(b) annuities or accounts and 457 plans,
  - (iii) transactions which may give rise to excise taxes, and
  - (iv) distributions which are taxable or non-taxable.

2. Neuberger Berman Investment Advisers LLC and the Custodian may conclusively rely upon and shall be protected in acting upon any writing from the Depositor or a beneficiary or any other notice, request, consent, or other writing believed by them to be genuine and to have been properly executed. In addition, Neuberger Berman Investment Advisers LLC and the Custodian shall not be under any obligation to act upon the instructions or directions of the depositor or a beneficiary if such instruction or direction is contrary to the terms of any court order which specifically names either or both the Custodian and Neuberger Berman Investment Advisers LLC. Furthermore, Neuberger Berman Investment Advisers LLC and the Custodian shall be protected, so long as they act in good faith in taking or omitting to take any other action in reliance upon such instruction, direction or court order.
3. Any notice from Neuberger Berman Investment Advisers LLC or the Custodian to the depositor or any other person under this agreement shall be deemed to have been given when sent by first-class mail to that person at the person's address on the Custodian's records. Any notice from the depositor or another person to Neuberger Berman Investment Advisers LLC or the Custodian shall be deemed to have been given when received by Neuberger Berman Investment Advisers LLC or the Custodian at its office.
4. This agreement may be amended by Neuberger Berman Investment Advisers LLC at any time, including retroactively, to the extent such amendment is required to comply with the provisions of the Code applicable to individual retirement accounts. Neuberger Berman Investment Advisers LLC and the Custodian may also amend the agreement from time to time to the extent they deem any change necessary or appropriate in their discretion. Neuberger Berman Investment Advisers LLC shall send a copy of any amendment to the depositor. The depositor shall be deemed to have consented to the amendment in the absence of written objections delivered to Neuberger Berman Investment Advisers LLC within 15 days after Neuberger Berman Investment Advisers LLC's mailing of a copy to the depositor.
5. This agreement shall become effective only upon acceptance of the Depositor's application regarding the account by Neuberger Berman Investment Advisers LLC and the Custodian, as evidenced by confirmation to the depositor of his or her initial contribution.
6. This agreement shall be construed, administered, and enforced in accordance with the laws of the State of Missouri, subject to any superseding Federal law or regulation. In the event of any ambiguity, the agreement shall be interpreted bearing in mind the intention that the account qualify as an individual retirement account within the meaning of Section 408 of the Code.



**Neuberger Berman Investment Advisers LLC**

1290 Avenue of the Americas, 28th Floor  
New York, NY 10104

Retail Services  
Toll Free: 800-877-9700

This brochure is authorized for distribution only when preceded or accompanied by a current prospectus.  
Please read the prospectus carefully before you invest or send money.

©2018 Neuberger Berman Investment Advisers LLC, distributor. All rights reserved.