

# Putnam IRA Plans and Disclosure Statements

Putnam Traditional Individual  
Retirement Trust Account Plan .....1

Putnam Traditional IRA  
Disclosure Statement.....19

Putnam Roth Individual  
Retirement Trust Account Plan .....39

Putnam Roth IRA  
Disclosure Statement.....56

Form 5305  
(Rev. March 2002)  
Department of the  
Treasury Internal  
Revenue Service

TRADITIONAL INDIVIDUAL  
RETIREMENT TRUST ACCOUNT  
(Under section 408(a) of the Internal Revenue Code)

Do not file with  
the Internal  
Revenue Service

Name of grantor Date of birth of grantor Identifying number (see instructions)

Address of grantor

Check if amendment

Putnam Fiduciary Trust Company One Post Office Square, Boston, MA 02109

Name of trustee

Address or principal place of business of trustee

The grantor named above is establishing a traditional individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

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

The grantor has assigned the trust \_\_\_\_\_ dollars (\$\_\_\_\_\_) in cash. The grantor and the trustee make the following agreement:

## ARTICLE I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k), or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

## ARTICLE II

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

### ARTICLE III

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

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the grantor's interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and the regulations thereunder, the provisions of which are herein incorporated by reference.
2. The grantor's entire interest in the trust account must be, or begin to be, distributed not later than the grantor's required beginning date, April 1 following the calendar year in which the grantor reaches age 70½. By that date, the grantor may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:
  - (a) A single sum or
  - (b) Payments over a period not longer than the life of the grantor or the joint lives of the grantor and his or her designated beneficiary.
3. **If the grantor dies before his or her entire interest is distributed to him or her, the remaining interest will be distributed as follows:**
  - (a) If the grantor dies on or after the required beginning date and:
    - (i) the designated beneficiary is the grantor'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 grantor'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 grantor 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, the remaining interest will be distributed over the remaining life expectancy of the grantor as determined in the year of the grantor's death and reduced by 1 for each subsequent year.
- (b) If the grantor dies before the required beginning date, the remaining interest will be distributed in accordance with (i) below or, if elected or there is no designated beneficiary, in accordance with (ii) below:
  - (i) The remaining interest will be distributed in accordance with paragraphs (a)(i) and (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), starting by the end of the calendar year following the year of the grantor's death. If, however, the designated beneficiary is the grantor's surviving spouse, then this distribution is not required to begin before the end of the calendar year in which the grantor would have reached age 70½. But, in such case, if the grantor's surviving spouse dies before distributions are required to begin, then the remaining interest will be distributed in accordance with (a)(ii) above (but not over the period in paragraph (a)(iii), even if longer), over such spouse's designated beneficiary's life expectancy, or in accordance with (ii) below if there is no such designated beneficiary.
  - (ii) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.
- 4. If the grantor dies before his or her entire interest has been distributed and if the designated beneficiary is not the grantor's surviving spouse, no additional contributions may be accepted in the account.**
- 5. The minimum amount that must be distributed each year, beginning with the year containing the grantor's required beginning date, is known as the "required minimum distribution" and is determined as follows:**
  - (a) The required minimum distribution under paragraph 2(b) for any year, beginning with the year the grantor reaches age 70½, is the grantor's account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Regulations section 1.401(a)(9)-9. However, if the grantor's designated beneficiary is his or her surviving spouse, the required minimum distribution for a year shall not be more than the grantor's account value at the close of

business on December 31 of the preceding year divided by the number in the joint and last survivor table in Regulations section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (a) is determined using the grantor's (or, if applicable, the grantor and spouse's) attained age (or ages) in the year.

- (b) The required minimum distribution under paragraphs 3(a) and 3(b)(i) for a year, beginning with the year following the year of the grantor's death (or the year the grantor would have reached age 70½, if applicable under paragraph 3(b)(i)) is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the individual specified in such paragraphs 3(a) and 3(b)(i).
- (c) The required minimum distribution for the year the grantor reaches age 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.

- 6. **The owner of two or more traditional 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 the regulations under section 408(a)(6).**

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## ARTICLE V

- 1. **The grantor agrees to provide the trustee with all information necessary to prepare any reports required by section 408(i) and Regulations sections 1.408-5 and 1.408-6.**
- 2. **The trustee agrees to submit to the Internal Revenue Service (IRS) and grantor the reports prescribed by the IRS.**

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## ARTICLE VI

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 section 408(a) and the related regulations will be invalid.

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## ARTICLE VII

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

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## ARTICLE VIII

*Article VIII may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code.*

### 1. Effective Date

Except as otherwise provided, the provisions of this instrument are effective as of January 1, 2014 or, if later, the date on which the Account Owner establishes the Account.

### 2. Contributions

- (a) **Regular and Catch-Up Contributions.** For each calendar year prior to the calendar year in which the Account Owner attains age 70½, Regular Contributions, and if applicable Catch-Up Contributions, may be made, not to exceed the lesser of (i) the amount determined under Article I above, as adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D) and (ii) the Account Owner's compensation for the year. For this purpose, if the Account Owner files a joint tax return with his spouse and has less compensation than his spouse, the amount in (ii) above may be increased by (A) the amount of the spouse's compensation for the year minus (B) the amount of the spouse's contributions to a traditional or Roth IRA for the year.

A Regular Contribution or a Catch-Up Contribution is deemed made for the calendar year in which the Trustee receives it, unless such contribution is received by the Trustee (or by an intermediary at the discretion of the Trustee) on or before the due date for the Account Owner's federal income tax return for that year (excluding extensions), and the Account Owner timely directs that it is made for the preceding calendar year. For purposes of the preceding sentence, a contribution shall be deemed received by the Trustee (or an intermediary) on the day it is post-marked by the United States Postal Service or submitted to a private delivery service that has been designated by the Internal Revenue Service for purposes of filing tax returns.

- (b) **Rollover Contributions.** A Rollover Contribution may be made at any time in any amount.
- (c) **Simplified Employee Pension Contributions.** A contribution may be made under a simplified employee pension plan and in accordance with Code Section 408(k).
- (d) **SIMPLE IRA Contributions.** No contribution may be made under a SIMPLE Plan established under Code Section 408(p).

- (e) **Certain Qualified Distribution and Qualified Reservist Distribution Recontributions.** A contribution not to exceed the amount of a qualified distribution described in Code Section 1400Q may be made at any time during the period permitted under the Code and Regulations. A contribution not to exceed the amount of a qualified reservist distribution described in Code Section 72(t)(2)(G) may be made at any time during the two-year period beginning on the day after the end of the active duty period.
- (f) **Recharacterizing Contributions.** A contribution may be recharacterized in accordance with Code Section 408A(d)(6) and Regulations promulgated thereunder.
- (g) **Form of Contributions.** All contributions, other than Rollover Contributions, must be made in cash. Rollover Contributions may be made in cash or another form of investment permitted under paragraph 4.
- (h) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to (i) collect, or determine the source or correctness of, any contribution or (ii) determine whether any contribution exceeds the limits of Article I and this paragraph 2 or is deductible for federal income tax purposes.

### 3. Beneficiaries

- (a) **Designation.** The Account Owner may designate one or more beneficiary(ies) of the Account. A beneficiary designation is not valid unless it is (i) in a form acceptable to the Trustee, which generally includes name, social security number, date of birth and address of the beneficiary, (ii) received by the Trustee on a date prior to the Account Owner's date of death and (iii) maintained in the Trustee's records at the time of any request for a distribution or other payment from the Account.
- (b) **Change or Revocation.** The Account Owner may change or revoke any beneficiary designation, provided such change or revocation meets the requirements of paragraph 3(a).
- (c) **No Revocation Upon Dissolution of Marriage.** A beneficiary designation will not automatically be revoked or modified by operation of law due to the Account Owner's divorce, legal separation, annulment or other dissolution of marriage. A beneficiary designation can only be changed or revoked in accordance with paragraph 3(b).
- (d) **Allocation of Account.** The Account Owner may direct the portion of the Account to be allocated to each beneficiary following the Account Owner's death, provided such direction meets the requirements of paragraph 3(a). Unless the Account Owner directs otherwise, the following rules apply.



- (i) If more than one primary beneficiary is designated, then the Account will be allocated to all primary beneficiaries equally. If a primary beneficiary has predeceased the Account Owner, then his portion of the Account will be allocated to any surviving primary beneficiaries equally.
  - (ii) If no primary beneficiaries have survived the Account Owner, then the Account will be allocated to any contingent beneficiaries equally. If a contingent beneficiary has predeceased the Account Owner, then his portion of the Account will be allocated to any surviving contingent beneficiaries equally.
- (e) **Default Beneficiary.** If no primary or contingent beneficiary(ies) designated pursuant to paragraph 3(a) or 3(b) have survived the Account Owner or, if no beneficiaries have been properly designated at the time of the Account Owner's death, the primary beneficiary(ies) shall be the Account Owner's surviving spouse or, if none, his surviving children in equal shares or, if none, his estate.
- (f) **Spouse Beneficiary's Election to Treat Account as Own.** Following the death of the Account Owner, if the sole beneficiary is the Account Owner's surviving spouse, the beneficiary may treat the Account as the beneficiary's own individual retirement account. This election will be deemed made if the surviving spouse beneficiary makes a contribution to the Account or fails to receive a distribution otherwise required under Article IV.
- (g) **Minor or Incapacitated Beneficiary.** Following the death of the Account Owner, if the Trustee is notified that a beneficiary is a minor or otherwise lacks legal capacity under applicable state law, then the Trustee may distribute, or take any other action with respect to, such beneficiary's portion of the Account pursuant to the direction of the beneficiary's parent or legal representative; provided, however, such person must furnish or cause to be furnished evidence of authority that the Trustee deems necessary or desirable. The Trustee will not be liable for acting based upon authority that appears on its face to be genuine, or for failing or refusing to act based upon authority that it is not satisfied is genuine, and the Trustee has no duty of further inquiry.
- (h) **Death of Beneficiary.** Following the death of the Account Owner, a beneficiary may designate one or more persons to direct the investment and to receive distribution of the beneficiary's portion of the Account remaining at the time of the beneficiary's death, if any. Any such person (or, upon his death, any such person's estate) must receive distributions from the Account at least as rapidly as would have been required of the beneficiary under Article IV had he survived.

- (i) **Claim of Beneficiary Status.** If following the death of the Account Owner any person who has not been properly designated as a beneficiary of the Account under paragraph 3(a) or 3(b) and who is not a default beneficiary under paragraph 3(e) (a “Claimant”) claims to be a beneficiary of all or a portion of the Account, then, notwithstanding anything herein to the contrary, the beneficiary(ies) of the Account will be the person or persons agreed upon in a writing acceptable to the Trustee by and between such Claimant and any other person or persons to whom a distribution might otherwise be made from the Account, including but not limited to any designated or default beneficiary(ies) who survive the Account Owner. Alternatively, or in the event that such persons fail or refuse to enter into such an agreement, the beneficiary(ies) shall be the person or persons determined and identified in an order issued or certified by a court of competent jurisdiction that is binding upon all such persons.
- (j) **Limitation of Trustee’s Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to (i) locate a beneficiary, or notify a beneficiary of the existence of the account, upon the Account Owner’s death, or (ii) follow the direction of any person claiming to be a beneficiary of the Account, unless and until such person is determined to be a beneficiary pursuant to the provisions of this paragraph 3, and the Trustee has no duty of further inquiry.

#### 4. Investments

- (a) **Permitted Investments.** An Account may be invested in open-end, non-tax-exempt Putnam Funds or other permissible investments that are offered by subsidiaries or affiliates of Putnam Investments, LLC and acceptable to the Trustee. An Account may also be invested in open-end, tax-exempt Putnam Funds upon request received in a form acceptable to the Trustee.
- (b) **Impermissible Investments.** An Account may not be invested in any investment described in Article III above or any investment that is not acceptable to the Trustee.
- (c) **Investment Direction.** The Account Owner will direct the Trustee with respect to the investment of amounts held in the Account. Unless otherwise directed, any cash dividends and capital gains distributions from a Putnam Fund will be reinvested in such Putnam Fund. The Trustee will have no duty or responsibility to question any investment directions it receives. The Account Owner hereby directs the Trustee to invest in the Putnam Money Market Fund (or other similar fund) any amounts held in the Account for which other investment directions are not received in good order. Notwithstanding the foregoing, the Trustee may postpone implementing investment directions for seven days from the date the Account is established. If the Account Owner authorizes his or her employer to

withhold contributions from the Account Owner's pay and remit them to the Trustee periodically, those contributions may be held separately or on a pooled basis without interest or other earnings pending the employer's direction to the Trustee to allocate such contributions to the Account. Following the Account Owner's death, this paragraph 4(c) will apply to a beneficiary with respect to his portion of the Account as if such beneficiary were the Account Owner.

- (d) **Voting.** Subject to applicable law, the Trustee will deliver to the Account Owner copies of notices of shareholders' meetings, proxies and proxy-soliciting materials, prospectuses and annual or other reports to shareholders that it receives for securities in the Account. The Account Owner may direct the manner in which such securities are voted with respect to any matters contained in such materials. In the event the Trustee does not timely receive voting instructions in good order for any shares of a Putnam Fund, the Account Owner affirmatively directs the Trustee to vote such shares in the same proportions as the Trustee has been instructed to vote the shares of such Putnam Fund held in all Putnam traditional individual retirement accounts and Putnam simplified employee pension individual retirement accounts. Following the Account Owner's death, this paragraph 4(d) will apply to a beneficiary with respect to his portion of the Account as if such beneficiary were the Account Owner.
- (e) **Investment Advice.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to render advice with respect to the investment of amounts held in the Account and will not be liable for any loss incurred with respect to any investment purchased, sold or retained in accordance with the directions of the Account Owner (or, following the Account Owner's death, a beneficiary).

## 5. Distributions

- (a) **Direction.** Subject to the provisions of Article IV and this Article VIII, the Account Owner may direct the Trustee to distribute all or any portion of the Account, and following the Account Owner's death, a beneficiary may direct the Trustee to distribute all or any portion of his portion of the Account; provided, however, that the Trustee will not be required to make a distribution until it is furnished with any and all applications, certificates, tax waivers, signature guarantees and other documents and information (including evidence of any legal representative's authority) deemed necessary or desirable by the Trustee or that may be required by the Putnam Funds pursuant to the terms of their respective prospectuses and statements of additional information. Notwithstanding the foregoing, the Trustee will not be liable for complying with directions that appear on their face to be genuine, or for refusing to comply with directions that it is not satisfied are genuine, and the Trustee has no duty of further inquiry.

- (b) **Form.** Subject to the requirements of Article IV, the Account Owner (and, following the Account Owner's death, a beneficiary) may direct distributions to be paid:
- (i) from time to time in an amount designated by the Account Owner (or a beneficiary as the case may be) in cash or, at the discretion of the Trustee, in kind;
  - (ii) in monthly, quarterly, semiannual or annual installments in cash or, at the discretion of the Trustee, in kind, over a designated period; or
  - (iii) in installments in cash consisting of current dividends and/or capital gains distributions from Putnam Funds held in the Account.

Nothing herein will require the Trustee to pay installments of less than \$50 per month. Upon notice to the Account Owner (or, following the Account Owner's death, a beneficiary) that a monthly installment will be less than \$50, the Trustee will not be obligated to continue such installment payment, or to make any other distribution, unless and until it receives proper direction to make a distribution in another permissible form.

- (c) **Qualified Charitable Distributions.** As may be permitted from time to time under the Code and Regulations, the Account Owner, acting under the procedures set forth in paragraph 5(a), may direct the Trustee to make a "qualified charitable distribution" as defined in Code Section 408(d)(8)(B) made payable to an organization described in Code Section 408(d)(8)(B)(i), provided that the Account Owner has attained age 70½ on or before the date of such distribution. By giving such direction, the Account Owner shall be deemed to certify to the Trustee that the distribution qualifies as a "qualified charitable distribution."
- (d) **Qualified Health Savings Account Distributions.** The Account Owner, acting under the procedures set forth in paragraph 5(a), may direct the Trustee to make a "qualified HSA funding distribution" as defined in Code Section 408(d)(9)(B) made payable to a health savings account as defined in Code Section 223(d)(1), provided that the requirements of Code Section 408(d)(9) are met. By giving such direction, the Account Owner shall be deemed to certify to the Trustee that the distribution qualifies as a "qualified HSA funding distribution."
- (e) **Withholding.** The Trustee will withhold 10% of each distribution as federal income tax withholding, unless the Account Owner (or, following the Account Owner's death, a beneficiary) elects that no amount or another amount be withheld.
- (f) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility (i) to ensure that

distributions are made in accordance with Article IV or Code Sections 408(a)(6), 408(d)(8), 408(d)(9) or 1400Q and any Regulations promulgated thereunder, (ii) to determine the correctness or taxable amount of any distribution or (iii) to make any distributions from the Account, unless and until it receives directions in accordance with this paragraph 5.

## 6. Transfers

- (a) **Transfers to Account.** To the extent permitted by applicable law, the Account Owner may direct the Trustee to accept the transfer of assets held on behalf of the Account Owner in another individual retirement account within the meaning of Code Section 408(a); provided, however, that (i) the Trustee, before such transfer, may in its discretion require an opinion of counsel satisfactory to it that the requirements of Code Section 408(a) or any successor provision of law are satisfied by such other individual retirement account, and (ii) such assets must be in cash or another form of investment permitted under paragraph 4. Upon such transfer, the terms and conditions of the account from which such transfer is made will have no further effect, and the terms and conditions of this Account will govern with respect to the assets transferred.
- (b) **Transfers from Account.** To the extent permitted by applicable law, the Account Owner (or, following the Account Owner's death, a beneficiary) may direct the Trustee to transfer assets held in the Account to another individual retirement account maintained on his behalf within the meaning of Code Section 408(a); provided, however, that the Trustee will have the right to reduce the amount to be transferred by any amounts referred to in paragraph 7(d) of this Article VIII. Upon such transfer, the terms and conditions of this Account will have no further effect, and the terms and conditions of the account to which such transfer is made will govern with respect to the assets transferred.
- (c) **Transfers Incident to Divorce.** All or any portion of the Account may be transferred to the Account Owner's spouse or former spouse pursuant to a divorce or separation instrument in accordance with Code Section 408(d)(6). At the time of such transfer and thereafter, the transferred portion will be treated as the Account of such spouse or former spouse, and the provisions of this Account will be interpreted and applied by treating the spouse or former spouse as the Account Owner.
- (d) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility (i) to collect any transfer to the Account, (ii) to determine the correctness of any transfer to or from the Account or (iii) to determine whether any other account to or from which a transfer is made is an individual retirement account within the

meaning of Code Section 408(a) maintained on behalf of the Account Owner (or a beneficiary as the case may be).

## 7. Powers and Duties of the Trustee

- (a) **Trustee Powers.** In addition to and not in limitation of such powers as the Trustee has by law or under any other provisions of this instrument, and subject to the limitations set forth in this instrument, the Trustee has the power:
- (i) to deal with all or any part of the Account;
  - (ii) to retain uninvested such cash as it may deem necessary or advisable, without liability for interest thereon;
  - (iii) to enforce, by suit or otherwise, or to waive its rights on behalf of the Account and to defend claims asserted against it or the Account, provided that the Trustee is indemnified by the Account Owner to its satisfaction against liability and expenses;
  - (iv) to compromise, adjust and settle any and all claims against or in favor of it or the Account;
  - (v) to register securities in its own name (with or without indication of its capacity hereunder), including commingling with other securities held by the Trustee;
  - (vi) to enter into contracts or participating interests for investments under the Account;
  - (vii) to make, execute, acknowledge and deliver any and all instruments that it deems necessary or appropriate to carry out the powers herein granted; and
  - (viii) generally to exercise any of the powers of an owner with respect to all or any part of the Account.
- (b) **Record Keeping.** The Trustee will maintain records showing the amount of the Account Owner's interest in the Account. Upon request, the Trustee will maintain records showing the amount of each beneficiary's interest in the Account. The Trustee will also give access to its records with respect to the Account at reasonable times and upon reasonable notice to the Account Owner (or beneficiary as the case may be) or his designee or to any person required by law to have access to such records. The Trustee has no duty or responsibility to keep records of deductible contributions separately from nondeductible contributions.

- (c) **Accounting.** Within a reasonable period after the end of each calendar year and after the termination of the Account, the Trustee will render or make available to the Account Owner (or a beneficiary as the case may be) and to other persons as required by law (“Recipients”) an accounting of transactions under the Account during the preceding calendar year or interim period through termination. The following rules will apply to such accounting, to the extent permitted by applicable law. The accounting will be considered approved with the same effect as though it had been judicially allowed, except to the extent that, within 60 days after the accounting is rendered, a Recipient notifies the Trustee of an objection to a matter or transaction shown in, or omitted from, the accounting. If such notice is timely given and such objections cannot be amicably settled, the Recipient will have the right to have such objections settled by judicial proceedings, provided that such proceedings commence within 60 days from the filing of the objection to the accounting. Nothing herein will be construed as depriving the Trustee of the right to have a judicial settlement of accounting. In any proceeding for a judicial settlement, the only necessary parties will be the Trustee and all persons to whom the accounting was rendered, and any judgment or decree entered in any such proceeding will be binding and conclusive on all persons claiming to have any interest in the Account.
- (d) **Compensation.** The Trustee will be entitled to reasonable compensation for services rendered, as determined from time to time on such basis as will be specified by the Trustee. Unless otherwise provided, the Trustee’s compensation and all reasonable expenses incurred by it in the administration of the Account will be paid from the Account. The Account Owner expressly authorizes the Trustee to redeem Account investments for the purpose of paying such amounts.
- (e) **Limitation of Liability.** The Trustee will be responsible hereunder only with respect to amounts actually deposited in the Account and earnings thereon. The Trustee will not be liable for any acts or omissions, except its own negligence or bad faith in failing to carry out its obligations under this instrument and the Adoption Agreement. The Trustee makes no representation and has no duty or responsibility with respect to the federal or state tax treatment of contributions to the Account, the earnings thereon or distributions from the Account.
- (f) **Reliance.** For all purposes hereunder, the Trustee may conclusively rely on any information provided by the Account Owner or, following the Account Owner’s death, a beneficiary, or any person permitted to act for either hereunder.
- (g) **Successor.** Any corporation or other entity into which the Trustee may merge or with which it may consolidate or any corporation or other entity

resulting from any such merger or consolidation will be the successor of the Trustee hereunder without the execution or filing of any additional instrument or the performance of any further act.

- (h) **Resignation.** The Trustee may resign at any time upon 30 days notice to the Account Owner (or, following the Account Owner's death, a beneficiary). Resignation of the Trustee will not terminate the Account. The Account Owner (or a beneficiary as the case may be) will take all reasonable steps necessary to appoint a successor trustee or, if the Account Owner (or beneficiary) fails or refuses to do so, the Trustee may appoint a successor trustee. Any successor trustee will be a "bank" within the meaning of Code Section 581 or another person found qualified to act as a trustee or custodian of an individual retirement account within the meaning of Code Section 408(a) by the Secretary of the Treasury or his delegate. The appointment of a successor trustee will be effective upon receipt by the Trustee of its written acceptance of such appointment. Within 30 days of the effective date of a successor trustee's appointment, the Trustee will perform all acts necessary to transfer and deliver the assets and records of the Account to the successor trustee. Notwithstanding the foregoing, the Trustee may reserve such portion of the Account as it may reasonably determine to be necessary for payment of its compensation and any taxes and expenses, and any balance of such reserve remaining after payment of such compensation, taxes and expenses will be paid over to the successor trustee.

## 8. Amendment and Termination of Account

- (a) **Amendment.** The Trustee may at any time and from time to time modify or amend this instrument as is necessary or desirable by delivering (including via electronic methods) a copy of the amendment to the Account Owner (or, following the Account Owner's death, each beneficiary) at the address then contained in the Trustee's records. Any amendment may apply retroactively, to the extent permitted under applicable law. The Account Owner (or a beneficiary as the case may be) will be deemed to have consented to and adopted any modification or amendment so made. No amendment of this Account may be inconsistent with applicable law or cause any part of the Account to be used for a purpose other than for the exclusive benefit of the Account Owner and his beneficiaries. No amendment will change the rights, duties or responsibilities of the Trustee without its written consent. The Account Owner specifically acknowledges that the Account may require amendment as a result of changes in the laws governing individual retirement accounts within the meaning of Code Section 408(a) or in response to guidance published by the Internal Revenue Service.



- (b) **Termination.** An Account Owner may terminate the Account at any time by delivering a written notice of termination to the Trustee. On termination, if permitted by the terms of the investments then held in the Account, the Trustee will distribute the Account (reduced by any penalty applicable thereto, any withholding required under paragraph 5(e) and any amounts to which the Trustee is then entitled under paragraph 7(d)) in a single sum payment in cash or, at the discretion of the Trustee, in kind, as the Account Owner directs. Upon complete distribution of the Account for any reason, the Account will terminate and will have no further force and effect, and the Trustee will have no further obligation or liability with respect to the Account except as required by applicable law. Following the Account Owner's death, this paragraph 8(b) will apply to a beneficiary's portion of the Account as if the beneficiary were the Account Owner.

## 9. Other Terms and Conditions

- (a) **Spendthrift Provision.** To the extent permitted by applicable law, and except as provided herein, a beneficial interest in the Account will not be assignable, subject to hypothecation, pledge or lien, nor subject to attachment or receivership, nor will it pass to any trustee in bankruptcy or be reached or applied by legal process for the payment of any obligation of the beneficial owner hereunder.
- (b) **Directions and Designations.** Except as otherwise provided herein and subject to applicable law, any direction or designation hereunder may be made in writing or by or through another medium acceptable to the Trustee.
- (c) **Security.** The Account Owner authorizes, and acknowledges and assumes the risk inherent in, the use of a personal identification number and other identifying information as a security mechanism to ensure confidentiality of Account data and to ensure proper identification of the person directing, or otherwise communicating with, the Trustee through a telephone representative, a voice response unit, the Internet or other electronic means. The Account Owner directs the Trustee to follow any direction it receives through a telephone representative, a voice response unit, the Internet or other electronic means with respect to the Account; provided that the Trustee is given the appropriate personal identification number and other identifying information.
- (d) **Notices.** All notices from the Trustee will be deemed to have been given when mailed to the address of the Account Owner (or, following receipt of notice of the Account Owner's death, a beneficiary) then contained in the Trustee's records. All notices from the Account Owner (or a beneficiary as the case may be) will be deemed to have been given when received by the Trustee.

- (e) **Payment of Taxes.** Notwithstanding any other provision herein, in the event the Trustee is required to pay any tax with respect to the Account, the Account Owner expressly authorizes the Trustee to redeem Account investments for the purpose of paying such taxes.
- (f) **Incapacity of Account Owner.** In the event the Account Owner (or, following the Account Owner's death, a beneficiary) becomes legally incapacitated under applicable state law, the Trustee may follow the direction of his legal representative; provided, however, that such representative must furnish or cause to be furnished evidence of authority that the Trustee deems necessary or desirable. The Trustee will not be liable for acting based upon authority that appears on its face to be genuine, or for failing or refusing to act based upon authority that it is not satisfied is genuine, and the Trustee has no duty of further inquiry.
- (g) **Governing Law.** This instrument and the Adoption Agreement will be construed, administered and enforced according to the laws of The Commonwealth of Massachusetts (determined without regard to its choice of law rules) and according to the Code with the intention of maintaining the qualification of the Account for the tax benefits afforded by Code Section 408(a).

## 10. Definitions

- (a) **Account.** The individual retirement account set forth in this instrument and the related Adoption Agreement, as they may be amended from time to time.
- (b) **Account Owner.** The individual who is named as the grantor in this instrument and is shown as owning the Account in the Adoption Agreement with respect to the Account.
- (c) **Adoption Agreement.** The agreement through which the Account Owner adopts the Account and agrees to its terms and conditions.
- (d) **Catch-Up Contribution.** A contribution described in Article I to the extent that such contribution exceeds the amount applicable to individuals who have not reached age 50 before the close of the taxable year and does not exceed the amount applicable to individuals who have reached age 50 before the close of the taxable year.
- (e) **Code.** The Internal Revenue Code of 1986, as it may be amended from time to time.
- (f) **Putnam Funds.** Shares issued by any registered investment company for which Putnam Investment Management, LLC, or its successor or affiliate, serves as investment advisor, or for which Putnam Retail Management

Limited Partnership, or its successor or affiliate, serves as principal underwriter; provided, however, that in the case of any open-end investment company, the then current prospectus provides that such investment company offers its shares for purchase under the Account.

- (g) **Regular Contribution.** A contribution described in Article I to the extent that such contribution does not exceed the amount applicable to individuals who have not reached age 50 before the close of the taxable year.
- (h) **Regulations.** Treasury regulations promulgated under the Internal Revenue Code of 1986.
- (i) **Rollover Contribution.** A rollover contribution described in Code Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3) or 457(e)(16).
- (j) **Trustee.** Putnam Fiduciary Trust Company.

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Grantor's Signature

Date



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Trustee's Signature

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Witness' Signature (Use only if signature of the grantor or the Trustee is required to be witnessed.)

## GENERAL INSTRUCTIONS

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

### Purpose of Form

Form 5305 is a model trust account agreement that meets the requirements of section 408(a) and has been pre-approved by the IRS. A traditional individual retirement account (traditional IRA) is established after the form is fully executed by both the individual (grantor) and the trustee and must be completed no later than the due date (excluding extensions) of the individual's income tax return for the tax year. This account must be created in the United States for the exclusive benefit of the grantor and his or her beneficiaries.

**Do not** file Form 5305 with the IRS. Instead, keep it with your records.

For more information on IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590**, Individual Retirement Arrangements (IRAs).

## Definitions

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

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

## Identifying Number

The grantor's social security number will serve as the identification number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

## Traditional IRA for Nonworking Spouse

Form 5305 may be used to establish the IRA trust account for a nonworking spouse. Contributions to an IRA trust account for a nonworking spouse must be made to a separate IRA trust account established by the nonworking spouse.

## Specific Instructions

**Article IV.** Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the grantor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

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

## PUTNAM TRADITIONAL IRA DISCLOSURE STATEMENT

This Disclosure Statement describes the features of the Putnam Traditional Individual Retirement Account and the principal federal income tax rules that apply to it. If any statement made in this Disclosure Statement varies from the Putnam Traditional IRA Adoption Agreement and Putnam Traditional Individual Retirement Trust Account Agreement (Form 5305), the Adoption Agreement and Account Agreement documents will control. If you have any questions about your Putnam Traditional IRA, you may call a Putnam representative at 1-800-225-1581 or consult your own tax or financial advisor. You should also consult your own tax or financial advisor about state income tax rules, which may differ from the federal income tax rules described in this Disclosure Statement.

### 1. Establishing Your Account

- (a) **Establishment.** To establish a Putnam Traditional IRA, you must complete a Putnam Traditional IRA Adoption Agreement and Putnam Traditional Individual Retirement Trust Account Agreement (Form 5305) and submit the Adoption Agreement to Putnam Fiduciary Trust Company. If your employer sponsors a simplified employee pension plan, it may also complete these documents and submit an Adoption Agreement on your behalf, if the plan requires it and you are deceased, cannot be located or otherwise fail or refuse to complete them.
- (b) **Revocation.** You may elect to revoke your Putnam Traditional IRA within seven days of the date on which you establish it. In order to revoke your Putnam Traditional IRA, you should mail a written request stating that “I hereby elect to revoke my Putnam Traditional IRA,” with your signature written exactly as it appears on your Adoption Agreement, to Putnam Investor Services, Inc., P.O. Box 8383, Boston, MA 02266. The revocation request will be considered given as of the date of the postmark (or date of certification or registration if sent certified or registered mail). Upon receipt of the revocation request, the entire amount contributed to your account will be returned to you, without adjustment for maintenance fees, interest accrued or fluctuation in market value. If you have any questions about this procedure you may contact a Putnam representative by telephone at 1-800-225-1581. Putnam Fiduciary Trust Company reserves the right to postpone the investment of contributions during the revocation period.
- (c) **Governing documents and laws.** Your account is governed by the terms of your Adoption Agreement and the Putnam Traditional Individual Retirement Trust Account Agreement (Form 5305). The Adoption Agreement and Putnam Traditional Individual Retirement Trust Account Agreement (Form 5305) will be construed, administered and enforced in accordance with the laws of the Commonwealth of Massachusetts and applicable federal law.

- (d) **Trust.** Putnam Fiduciary Trust Company, as trustee, will hold your account in trust exclusively for your benefit while you are alive, and for the benefit of your beneficiary(ies) after your death. Putnam Fiduciary Trust Company is a New Hampshire non-depository trust company subject to periodic examination by the New Hampshire Banking Department.
- (e) **Nonforfeitable.** Your account is nonforfeitable at all times.

## 2. Contributing to Your Account

- (a) **Form of contributions.** All contributions other than rollover contributions must be made in cash (although for this purpose cash does not include paper currency). Rollover contributions may be made in cash or in any other form of investment acceptable to Putnam Fiduciary Trust Company. While you cannot contribute securities or other assets to your account (except in a rollover contribution), you can liquidate securities or other assets and contribute the cash proceeds to your account.
- (b) **Regular and catch-up contributions.** You may contribute to your account from your own checking account, savings account or other cash assets. The maximum amount you may contribute for a year depends on your age and your compensation.
  - (i) **Maximum amount if under age 50.** You may contribute up to \$5,500 (as adjusted from time to time) each year before the year that contains your 50th birthday. These contributions are known as regular contributions.
  - (ii) **Maximum amount if age 50 or over.** You may contribute up to \$1,000 in addition to your maximum regular contribution for each year after the year that contains your 49th birthday. These additional contributions are known as catch-up contributions.
  - (iii) **Maximum if age 70½ or over.** You may not make regular contributions or catch-up contributions for the year in which you reach age 70½ (as described in Section 7(e) below) or any year thereafter.
  - (iv) **Maximum limited to compensation.** Regardless of your age, you may not make regular or catch-up contributions in excess of the amount of your compensation for a year. For this purpose, if you are married, file a joint federal income tax return and earn less than your spouse, you may increase your own compensation by the amount of your spouse's compensation, less the amount of any regular or catch-up

contributions to a Roth IRA or a traditional IRA that your spouse makes for the year.

Compensation generally includes wages, salaries, professional fees or other amounts derived from or received for personal service actually rendered (including commissions, tips, bonuses and certain differential wage payments). Compensation also includes self-employment income (reduced by the amount of any deduction for contributions to a qualified employer plan) and all taxable alimony and separate maintenance payments under a divorce or separation instrument. Compensation also includes pay for active duty military service received in any month you are a member of the armed forces serving in a designated “combat zone” or hospitalized as a result of a combat zone wound, disease or injury (“combat zone pay”) as well as certain differential pay. Compensation does not include investment earnings or other earnings from property, or any amount you receive as a pension or annuity or as deferred compensation.

- (v) **Contributions to other IRAs.** The limits described above apply to regular contributions and catch-up contributions to all traditional IRAs you own. As a result, the amount of regular contributions and catch-up contributions you make to your Putnam Traditional IRA will reduce the amount that you are eligible to contribute to any other traditional IRA you own for that year. Similarly, regular contributions and catch-up contributions you make to other traditional IRAs you own for a year will reduce the amount of regular contributions you can make to your Putnam Traditional IRA for that year.
- (vi) **Year of contribution.** You should designate the year for which a regular contribution or a catch-up contribution is made. You may designate that a contribution is made for a year at any time from the first day of that year until the due date for your federal income tax return for that year (excluding extensions). For example, you may designate a regular contribution as having been made for 2014 at any time from January 1, 2014, through April 15, 2015. If you do not designate the year for which a contribution is made, Putnam Fiduciary Trust Company will treat the contribution as having been made for the calendar year in which it is received. For this purpose, a contribution will be deemed received on the day it is post-marked by the United States Postal Service or submitted to a private delivery service that has been designated by the Internal Revenue Service for purposes of filing tax returns.
- (vii) **Deposit of Federal Income Tax Refunds.** Subject to all of the limitations described in this Section 2, you may choose to have a

refund of federal income taxes directly deposited into your Putnam Traditional IRA as a regular contribution or a catch-up contribution.

- (c) **Rollover contributions.** You may contribute a distribution from another retirement account as described below. These contributions are known as rollover contributions.
- (i) **Rollover from an employer retirement plan.** You may contribute an eligible rollover distribution from a qualified employer retirement plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account and a Section 457 plan maintained by a governmental employer. An eligible rollover distribution is generally any distribution you receive from one of these plans, other than a required minimum distribution (similar to those described in Section 7(e) below) or an installment payment in a series that runs for ten years or more.
  - (ii) **Rollover from another IRA.** You may contribute a distribution (other than a required minimum distribution described in Section 7(e) below) from another traditional IRA, a simplified employee pension plan or a SIMPLE IRA that has been open for at least two years, so long as you have not made another rollover contribution to a traditional IRA, a simplified employee pension plan or a SIMPLE IRA (or a rollover contribution from a Roth IRA to another Roth IRA) in the preceding 12 months.
  - (iii) **Beneficiary distributions.** You may contribute a distribution described above that you receive as beneficiary of an account owned by your spouse. You may also, under certain circumstances, contribute any amount you receive as a distribution from an “eligible retirement plan” as the beneficiary of someone other than your spouse if the amount is directly transferred to the IRA. The IRA is treated as an inherited IRA and the required minimum distribution rules described in Section 7(f)(i) and (ii) below apply.  
  
For this purpose, an eligible retirement plan is a qualified employer retirement plan described in Internal Revenue Code of 1986 (“Code”) Section 401(a) (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account or a Section 457 plan maintained by a governmental employer.
  - (iv) **Nondeductible and after-tax employee contributions.** If a distribution you contribute contains nondeductible or after-tax employee contribution amounts, you are solely responsible for keeping records of those amounts for income tax reporting purposes. You may be required to report these amounts to the Internal



Revenue Service by completing and filing Form 8606 with your Form 1040 or Form 1040A.

- (v) **No maximum amount.** A rollover contribution can be any amount.
- (vi) **Method.** A rollover contribution can be made in two ways. First, you can have the distribution you wish to contribute made payable directly to Putnam Fiduciary Trust Company. Under this “direct rollover” method, your distribution will not be subject to 20% mandatory federal income tax withholding that is applicable to distributions from various types of employer retirement plans. Second, if a distribution has been made payable to you, you can cash the distribution check and contribute the proceeds. However, under this “indirect rollover” method, you must contribute the proceeds within 60 days of the date you receive the distribution. In addition, if your distribution is being made from an employer retirement plan, it will be subject to 20% mandatory federal income tax withholding. Unless you also contribute the amount withheld within the same 60-day period, that amount will be treated as a taxable distribution to you. The “indirect rollover” method may not be used if you are rolling over a distribution that you receive as a beneficiary of an account not owned by your spouse.
- (d) **Simplified employee pension contributions.** Your employer may contribute to your account under a simplified employee pension plan. In general, your employer may contribute up to 25% of your compensation (or, if less, \$52,000 for 2014, as adjusted from time to time) for a year. If your employer’s plan permits, a portion of these contributions may be made as salary reduction contributions (up to \$17,500 for 2014, as adjusted from time to time). You should ask your employer about the amount of any simplified employee pension contributions you are eligible to receive. Simplified employee pension contributions are not included in your income until they are distributed to you.
- (e) **SIMPLE IRA contributions.** You may not contribute to your account under a SIMPLE IRA plan maintained by your employer.
- (f) **Recontributions of qualified distributions on account of certain natural disasters and qualified reservist distributions.** You may contribute an amount up to the amount of a distribution qualified under Code Section 1400Q (as described in Section 7(d) below) at any time during the three-year period beginning on the day after the distribution was received (or such other period as may be permitted under the Code or Treasury regulations promulgated under the Code (“Regulations”)). To the extent such a recontribution is made, the original distribution will be treated as a

rollover distribution. You may also contribute an amount up to the amount of a “qualified reservist distribution” (as described in Section 7(d) below) at any time during the two-year period beginning on the day after the end of the active duty period.

- (g) **Recharacterizing contributions.** You may recharacterize a contribution to your account as a contribution to another IRA by transferring the contribution and its earnings directly to the trustee of the other IRA by the deadline for filing your federal income tax return for the year for which the contribution was made (including any extensions). The amount recharacterized will not be includible in your gross income for federal income tax purposes. You must provide certain information to Putnam Fiduciary Trust Company to effect a recharacterization. You may not recharacterize a simplified employee pension contribution that your employer made to your account.

### 3. Claiming a Tax Deduction for Your Contributions

- (a) **Regular and catch-up contributions.** You may claim a federal income tax deduction for regular and catch-up contributions you make for a calendar year as described below.
  - (i) **Deductible amount.** The amount of a regular or catch-up contribution for which you may claim a deduction depends on whether you or your spouse are active participants in an employer retirement plan during the calendar year for which you make the contribution. For this purpose, an employer retirement plan includes a qualified employer retirement plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account, a simplified employee pension plan, a SIMPLE IRA plan, and a governmental employer plan (other than a Section 457 eligible deferred compensation plan).

For employer retirement plans that are defined contribution plans (such as 401(k) plans) a person is considered to be an active participant for a calendar year if he receives an allocation of any contribution or forfeiture under the plan during any part of a plan year ending within that calendar year. An individual is an active participant in an employer retirement plan that is a defined benefit plan for any plan year in which he is eligible to participate in the plan. A plan year is the fiscal year on which the employer retirement plan operates. The Form W-2 provided by your (or your spouse’s) employer should indicate whether you (or your spouse) were an active participant. You should consult your tax advisor if you are unsure about your or your spouse’s status as an active participant.

- (A) **Not an active participant.** If neither you nor your spouse is an active participant in an employer retirement plan for a calendar year, you may claim a federal income tax deduction for the full amount of your regular and catch-up contributions for that year.
- (B) **Active participant.** If you are considered to be an active participant in an employer retirement plan for a calendar year, you may claim a federal income tax deduction for the full amount of your regular contributions and catch-up contributions if your modified adjusted gross income does not exceed \$60,000 for 2014 for single/head of household federal income tax filers, \$96,000 for 2014 if filing jointly and \$0 if married, filing separately. These amounts are periodically adjusted.

If you are not an active participant but your spouse is an active participant in an employer retirement plan for a calendar year, the dollar amount that applies to you (but not your spouse) is \$181,000 for 2014 if you and your spouse file a joint federal income tax return, or \$0 if you are married and file a separate federal income tax return.

Your modified adjusted gross income is generally the adjusted gross income shown on your federal income tax return refigured without taking into account any of the following amounts: IRA deductions, student loan interest deductions, foreign earned income exclusions, foreign housing exclusions or deductions, exclusions of qualified savings bond interest shown on Form 8815, exclusions of employer-paid adoption expenses shown on Form 8839, U.S. production activities deductions and deductions for qualified tuition and related expenses. You are not treated as married if you live apart from your spouse for the entire taxable year and file a separate federal income tax return.

The deductible amount of your regular and catch-up contributions is phased-out if your modified adjusted gross income exceeds the dollar amounts above, and no amount of your regular and catch-up contributions is deductible if your modified adjusted gross income is at least \$10,000 (or at least \$20,000 for married taxpayers filing jointly and you are an active participant in an employer retirement plan) more than the amounts above. If your modified adjusted gross income exceeds the amounts above, you can calculate the deductible amount of your contributions by following these steps:

*Step 1* - For 2014, subtract \$60,000 for single/head of household federal income tax filers (or \$96,000 or \$181,000 if filing jointly and depending on whether you are an active participant) from your modified adjusted gross income.

*Step 2* - Divide the result from Step 1 by \$10,000 (or \$20,000 for married taxpayers filing jointly if you are an active participant in an employer retirement plan).

*Step 3* - Multiply the result from Step 2 by the maximum contribution amount for the year.

*Step 4* - Subtract the result from Step 3 from the maximum contribution amount for the year.

When calculating the deductible amount of your regular and catch-up contributions, round up to the nearest \$10. If the deductible amount is more than \$0 but less than \$200, you may claim a deduction for up to \$200 of your regular and catch-up contributions.

Example: Assume that you are age 45, have modified adjusted gross income of \$97,914 for 2014, are married and file a joint return and are an active participant in an employer retirement plan. To calculate the maximum amount of regular contributions you may deduct for 2014, subtract the amount outlined above from your modified adjusted gross income ( $\$97,914 - \$96,000 = \$1,914$ ). Then, divide this amount by \$20,000 ( $\$1,914 \div \$20,000 = 0.0957$ ). Multiply the quotient by the maximum regular contribution amount for the year ( $0.0957 \times \$5,500 = \$526.35$ ). Round up to the nearest \$10 (\$530). Subtract the result from the maximum regular contribution amount for the year ( $\$5,500 - \$530 = \$4,970$ ). Your maximum deductible regular contribution amount would be \$4,970 for 2014.

- (ii) **Nondeductible amount.** You are solely responsible for keeping records of the amount of any regular or catch-up contributions that are not deductible. You are required to report these amounts to the Internal Revenue Service by completing and filing Form 8606 with your Form 1040 or Form 1040A for the year in which they are contributed. A \$100 penalty applies if you overstate the amount of nondeductible contributions, and a \$50 penalty applies if you fail to file a Form 8606, unless in each case you can prove that the overstatement or failure was due to a reasonable cause.

- (b) **Rollover contributions.** You may not claim a federal income tax deduction for rollover contributions made to your account.
- (c) **Simplified employee pension contributions.** You may not claim a federal income tax deduction for simplified employee pension contributions made to your account.

#### 4. Correcting Excess Contributions

- (a) **Excess contributions.** An excess contribution is the portion of a regular or catch-up contribution that exceeds the maximum applicable amount described in Section 2(b) above or that is made in a form other than cash. For example, if you are under age 50, a regular contribution might be an excess contribution for 2014 because it exceeds \$5,500, exceeds the amount of your compensation or was contributed in the form of mutual fund shares. An excess contribution is subject to a 6% nondeductible penalty tax for the year for which it is made and each year thereafter, unless and until you correct the excess contribution as described below. You may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies to you.
- (b) **Correction by tax filing deadline.** You may avoid the 6% penalty tax entirely by not claiming a deduction for the amount of the excess contribution and by withdrawing it, together with its earnings, by the due date for filing your federal income tax return (including extensions) for the year for which the excess contribution was made. The amount of the excess contribution will not be includible in your income and will not be subject to the additional 10% tax described in Section 7(d) below. However, any earnings you withdraw will be includible in your income for the year in which the excess contribution was made and may also be subject to the additional 10% tax described in Section 7(d) below.
- (c) **Correction after tax filing deadline.** If you do not correct an excess contribution as described in Section 4(b) above, the 6% penalty tax will apply for the year for which the excess contribution was made. However, you can avoid the 6% penalty tax for a subsequent year by withdrawing the excess contribution in that year. The amount of the excess contribution you withdraw will be includible in your income for the year of withdrawal, except in certain limited circumstances. If you use this correction method, you are not required to withdraw any earnings on the excess contribution.
- (d) You can also eliminate an excess contribution, and thus avoid the 6% penalty tax for a subsequent year, by contributing less than the maximum amount of regular and catch-up contributions you are otherwise permitted to make for that year. However, if you choose to eliminate an excess contribution in this way, you will be subject to the 6% penalty for the year for which you

contributed the excess contribution and for each subsequent year an excess amount remains in the account. For example, if you are age 35, are eligible to make the maximum contribution to your account and made an excess contribution of \$500 in 2013, you can eliminate that excess contribution by making no more than \$5,000 of regular contributions in 2014. In that case, you would owe the 6% penalty tax on the \$500 excess contribution for 2013. However, no penalty tax would be due for 2014.

## 5. Designating a Beneficiary

- (a) **Designation.** You may designate one or more beneficiaries to receive your account after you die. If you designate more than one beneficiary, you may also designate the portion of your account that is to be allocated to each beneficiary. Any designation must be in writing (or by or through any other acceptable medium) in a form acceptable to Putnam Fiduciary Trust Company, which generally includes name, social security number, date of birth and address of the beneficiary. In addition, it must be received by Putnam Fiduciary Trust Company prior to your date of death, and it must be on file at the time any beneficiary requests a withdrawal. You may change or revoke any designation, provided the change or revocation also meets these requirements. A beneficiary designation will not automatically be revoked or modified by operation of law as a result of your divorce, legal separation, annulment or other dissolution of marriage.
- (b) **Tax treatment.** The designation of a beneficiary to receive all or a portion of your account at your death is not considered a transfer subject to federal gift taxes. However, amounts remaining in your account at the time of your death are includible in your gross estate for federal estate tax purposes.
- (c) **Default designations.** Unless you designate otherwise, the following rules will apply. If you designate more than one primary beneficiary, your account will be divided among all of your primary beneficiaries equally. If a primary beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving primary beneficiaries. If no primary beneficiaries have survived you, then your account will be divided among any contingent beneficiaries equally. If a contingent beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving contingent beneficiaries. If no primary or contingent beneficiaries have survived you, then your surviving spouse, or if none, your surviving children in equal shares, or if none, your estate will be deemed your primary beneficiary(ies).
- (d) **Minor or incapacitated beneficiaries.** If a beneficiary is a minor or otherwise lacks legal capacity under applicable state law, his parent or legal representative may direct his portion of your account.

- (e) **Claim of beneficiary status.** If any person who has not been properly designated by you (or, in the absence of such designation, is not a person described in the last sentence of Section 5(c) above) claims to be a beneficiary of your account, Putnam Fiduciary Trust Company will not be required to make any distribution (or take any other action) unless and until all beneficiaries have been agreed upon in a written agreement or determined by a court of competent jurisdiction.
- (f) **Designation by your beneficiary.** Your beneficiary may designate one or more persons to control investments in, and receive distributions from, his portion of your account after his death. If no person is designated, then the beneficiary's estate shall be entitled to control investments in, and to receive distributions from, his portion of your account after his death. Any person so designated by your beneficiary (or, if none, your beneficiary's estate) must withdraw the beneficiary's portion of your account at least as rapidly as would have been required of your beneficiary had he survived.

## 6. Investing Your Account

- (a) **Control of investments.** You may invest your account in open-end, non-tax-exempt Putnam mutual funds and any other permissible investments that are offered by subsidiaries or affiliates of Putnam Investments, LLC and acceptable to Putnam Fiduciary Trust Company. You may also invest your account in open-end, tax-exempt Putnam Funds upon request received in a form acceptable to the trustee. However, you are solely responsible for directing how amounts in your account are invested among those investments. To the extent you do not direct how amounts in your account are to be invested, or to the extent your investment directions are unclear, amounts will be invested in the Putnam Money Market Fund or other similar fund. The prospectus for each Putnam mutual fund outlines the mutual fund's investment objectives. You should consider these objectives carefully to determine whether they are consistent with your own planning. You should also understand that fluctuations in market value will affect the value of your account and that growth in the value of your account is neither guaranteed nor projected. If you select an investment other than a Putnam mutual fund, Putnam Fiduciary Trust Company may furnish you with additional information that will constitute part of this Disclosure Statement. Following your death, your beneficiary will control investments with respect to his portion of your account as described above.
- (b) **Federal income tax deferral.** Any earnings from your investments will not be subject to federal income tax until withdrawn from the account.

## 7. Withdrawing Your Account

- (a) **General.** You may withdraw all or any portion of your account at any time for any reason. At any time after your death, your beneficiary may withdraw all or any portion of his portion of your account for any reason.
- (b) **Tax treatment.** In general, you must include amounts in your gross income for the year in which you withdraw them, unless you roll them over to an eligible retirement plan as described in Section 8 below. Withdrawals are taxed as ordinary income, which means they are taxed at your federal income tax rate (as opposed to, for example, the capital gains tax rate). In figuring your tax, you cannot use the ten-year tax option or capital gain treatment that may apply to distributions from qualified employer plans.

If you have made nondeductible contributions to your account, or if you have made rollover contributions that include after-tax employee contributions, then you may exclude part of any amount you withdraw from your income and that part will not be subject to federal income tax. The amount that you may exclude from your income for a year is the portion of the total amount you withdraw that year that bears the same ratio to the total amount withdrawn as your total nondeductible contributions and after-tax employee contributions bear to the total balance of your account (plus the balance of any other traditional IRAs you own) at the end of the year (including the value of your withdrawals from any of your traditional IRAs for the year). For example, assume you have made \$5,000 of nondeductible contributions to your account since it opened and that you do not own any other traditional IRAs. In 2014, you withdraw \$1,000, and your account balance at the end of 2014 is \$9,000. The ratio of your nondeductible contributions (\$5,000) to your total account balance plus the amount of your withdrawal (\$9,000 + \$1,000 = \$10,000) is  $\frac{1}{2}$ . Therefore, one-half of the amount of your \$1,000 withdrawal (\$500) is excludable from your income for 2014.

- (c) **Federal income tax withholding.** Your withdrawals will be subject to federal income tax withholding at the rate of 10%, unless you elect not to have tax withheld. Any amounts withheld will be applied as a credit toward the federal income tax you owe for the year in which the withdrawal is made. If you elect no withholding, you are still liable for any income taxes due on the taxable portion of your withdrawal, and you could incur penalties if your withholding or estimated tax payments for the year are not enough.
- (d) **Penalty for early withdrawals.** A nondeductible additional 10% tax on the taxable portion of any withdrawal not timely rolled over will apply unless:
  - (i) you are at least 59½ at the time of the withdrawal;
  - (ii) the withdrawal is made because of your permanent disability;



- (iii) the withdrawal is paid in installment payments in substantially equal amounts over a period that does not exceed your life expectancy or the life expectancy of you and your beneficiary;
- (iv) the withdrawal is used to pay unreimbursed medical expenses during the taxable year that exceed 10% of your adjusted gross income;
- (v) the withdrawal is used to pay health insurance premiums after you have received unemployment compensation for at least 12 weeks;
- (vi) the withdrawal is used to pay certain higher education expenses;
- (vii) the withdrawal is used for a “first-time” home purchase (up to a lifetime maximum of \$10,000 from all IRAs you own);
- (viii) the withdrawal is qualified under Code Section 1400Q (relating to certain distributions on account of natural disasters);
- (ix) the withdrawal is a “qualified reservist distribution;”
- (x) the withdrawal is a “qualified HSA funding distribution;” or
- (xi) the withdrawal is the result of an Internal Revenue Service levy.

The nondeductible additional 10% tax will not apply to withdrawals made by your beneficiary after your death. You may be required to file Form 5329 with the Internal Revenue Service for a year if the additional 10% tax applies to you.

A “qualified reservist distribution” is a distribution that was or is made to an individual called to active duty for a period of at least 180 days (or an indefinite period) after September 11, 2001 and before such date as may be designated by the Code or Regulations, and made during the period between the call to active duty and the end of the duty. A qualified reservist distribution may also be made from certain employer sponsored retirement plans, such as 401(k) plans or 403(b) plans.

A “qualified HSA funding distribution” is a distribution made from your traditional IRA account, and paid directly to a health savings account (“HSA”). A qualified HSA funding distribution is not subject to federal income tax or the 10% early withdrawal penalty. Generally, you may make only one qualified HSA funding distribution during your lifetime and it cannot exceed a maximum amount (normally equal to the annual limit you may contribute to your HSA). In addition, these exclusions only apply to a distribution that is otherwise taxable and only if you are an “eligible individual” (as defined under the HSA rules). A qualified HSA funding

distribution generally may not be made from the portion of your account attributable to SEP IRA contributions.)

- (e) **Required minimum distributions to you.** The law requires that you withdraw at least a minimum amount from your account for the calendar year in which you reach age 70½ and each calendar year thereafter. For this purpose, if your birthday is between January 1 and June 30, you will reach age 70½ in the calendar year containing your 70th birthday. If your birthday is between July 1 and December 31, you will reach age 70½ in the calendar year containing your 71st birthday. You must withdraw the minimum amount for the calendar year in which you reach age 70½ by April 1 of the following year. This is known as your Required Beginning Date. You must withdraw the minimum amount for each subsequent calendar year by December 31 of that year.

For each year a distribution is required, the minimum distribution amount is determined by dividing your account balance as of the preceding December 31 by a distribution period factor. You may be required to adjust the account balance to be used if you have made a rollover contribution or transfer to your account in the year following the year for which the distribution is required. You should consult your tax or financial advisor if you believe that you might be required to make these adjustments.

The distribution period factor is determined from the following chart, using your age as of your birthday in the year for which the minimum distribution is required:

Your Age	Distribution Period Factor	Your Age	Distribution Period Factor
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7

86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and older	1.9

Alternatively, if your sole beneficiary for a year is your spouse and your spouse is more than ten years younger than you, your distribution period factor is equal to the joint life expectancy of you and your spouse (under life expectancy tables included in the Code or Regulations), using your ages as of your birthdays in the year for which the distribution is required. This distribution period factor will yield a smaller withdrawal amount for the year than the factor determined using the table above.

(f) **Required minimum distributions to your beneficiary.** You should make your beneficiary aware that he is subject to the required minimum distribution rules of the Code, and it is his responsibility to make sure that the rules are met. Your beneficiary's required minimum distributions depend in part upon when you die.

(i) **Death on or after your Required Beginning Date.** If you die on or after the April 1 following the year in which you reach age 70½, which is known as your Required Beginning Date, your beneficiary must withdraw at least a minimum amount of his portion of the account by December 31 of the year following the year of your death and each subsequent year. The minimum amount is determined by dividing the balance of your beneficiary's portion of your account as of December 31 of the preceding year by a distribution period factor calculated using life expectancy tables under Regulations. The distribution period factor for the first year following the year of your death will equal your beneficiary's life expectancy under Internal Revenue Service life expectancy tables using your beneficiary's age as of his birthday in that year. Alternatively, if your beneficiary is at least your age or is not a living person (for example, if your beneficiary is a trust), the distribution period factor for the first year is based on your age as of your birthday in the calendar year of your death.

For each subsequent year, your beneficiary generally should reduce the prior year's distribution period factor by one. However, if your beneficiary is your spouse, the distribution period factor may be recalculated for each subsequent year using your spouse's age as of his or her birthday in that year. For each year following the year of

your spouse's death, the prior year's distribution period factor should be reduced by one.

You and your beneficiary should also be aware that a required minimum distribution calculated as described above in Section 7(e), if applicable, is due for the year in which you die. If you have not withdrawn this minimum distribution prior to your death, your beneficiary must withdraw it by December 31 of the year in which you die.

- (ii) **Death before your Required Beginning Date.** If you die before your Required Beginning Date, your beneficiary may elect to withdraw amounts using the method described above in Section 7(f)(i), except that your beneficiary may not use a distribution period factor based on your age. (This means that if your beneficiary is not a living person, your beneficiary cannot use the method described in Section 7(f)(i) above and instead must use the method described in the following paragraph.) If your sole beneficiary is your spouse, he or she may also elect to postpone distributions until the end of the calendar year in which you would have reached age 70½.

Alternatively, on or before December 31 of the year following the year of your death, your beneficiary may elect to withdraw his portion of the account at any time or times by the end of the calendar year containing the fifth anniversary of your death. If your beneficiary is not a living person, it must use this alternative.

- (iii) **Special rules for multiple beneficiaries.** If more than one beneficiary maintains an interest in your account as of September 30 of the year following the year of your death, special rules apply. Each of those beneficiaries may use a distribution period factor based on his own life expectancy for purposes of Sections 7(f)(i) and 7(f)(ii) above for years following the year in which a separate account is established for his interest, so long as the separate account is established by December 31 of the year following the year of your death. Otherwise, all your beneficiaries must use a distribution period factor based on the life expectancy of the oldest beneficiary (or, if one or more of your beneficiaries is not a living person, all your beneficiaries must use the rules that apply to beneficiaries that are not living persons). Your beneficiaries must contact Putnam Fiduciary Trust Company to establish separate accounts for their interests under your account.
- (iv) **Spouse's election to treat account as own.** If your spouse is the sole beneficiary of your account as of September 30 of the year following the year of your death and has an unlimited right to withdraw

amounts from your account (for example, these requirements are not met if you have designated a trust as beneficiary of your account, even if your spouse is the sole beneficiary of that trust), your spouse may elect at any time after your death to treat your account as your spouse's own traditional IRA. If your spouse makes this election in the year of your death, your spouse must withdraw any minimum distribution you would have been required to withdraw for that year (unless you have already done so). If your spouse makes this election in a year following the year of your death, your spouse must withdraw any minimum distribution for that year as owner of the account (and not as your beneficiary). In addition, if your spouse makes this election, your spouse may not treat subsequent withdrawals as having been made on account of your death for purposes of determining whether the withdrawal is subject to penalty as described in Section 7(d) above.

Your spouse may make this election by requesting Putnam Fiduciary Trust Company to register the account in your spouse's name. Alternatively, your spouse will be deemed to have made this election if your spouse fails to withdraw a required minimum distribution for a year or makes an additional contribution to the account.

- (g) **Penalty for failure to make required minimum distributions.** If the amount withdrawn by you or your beneficiary during a taxable year is less than the minimum amount required to be distributed, you or your beneficiary will be subject to a penalty tax equal to 50% of the deficiency, unless you or your beneficiary can prove that the failure to receive the minimum distribution was due to reasonable cause and that reasonable steps are being taken to remedy the shortfall. You or your beneficiary may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies.

## 8. Rolling Over, Converting or Transferring Your Account

- (a) **Rolling over your account.**
  - (i) **General.** Except as described below, you may roll over a withdrawal from your account to an eligible retirement plan. An eligible retirement plan is another traditional IRA, or a qualified employer retirement plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account or a Section 457 plan maintained by a governmental employer. If your beneficiary is your spouse, your beneficiary may also roll over a withdrawal to an eligible retirement plan or another IRA following your death.

- (ii) **Exceptions.** You (and your spouse beneficiary) may not roll over a required minimum distribution (as described in Section 7(e) and (f) above). You (and your spouse beneficiary) may not roll over any portion of a withdrawal that consists of nondeductible contributions or after-tax employee contributions to an eligible retirement plan other than another traditional IRA. For this purpose, however, you (and your spouse beneficiary) are treated as withdrawing any nondeductible or after-tax contributions last. Thus, for example, if your account balance is \$10,000 and contains \$1,000 of nondeductible contributions, the first \$9,000 you withdraw will not be treated as consisting of nondeductible contributions. Therefore, you could roll over the first \$9,000 you withdraw (so long as your withdrawals are not required minimum distributions).
  - (iii) **Methods.** Unless your rollover is made directly payable to the eligible retirement plan, you must deposit your rollover in the eligible retirement plan within 60 days from the date you receive your withdrawal. If you roll over a withdrawal to another IRA, you may not make another roll over between IRAs for 12 months. Similarly, you may not roll over a withdrawal to another IRA if you have already done so in the previous 12 months. These limitations also apply to rollovers made by your spouse beneficiary.
- (b) **Converting your account to a Roth IRA.** Except as described below, you may contribute a distribution from your account to a Roth IRA. These contributions are known as conversion contributions. A conversion contribution may consist of any part of your account, including nondeductible contributions. However, a conversion contribution may not be made from any required minimum distribution that you receive after reaching age 70½.
  - (i) **Tax treatment of distribution included in a conversion contribution.** The amount distributed from your account that you contribute in a conversion contribution must be included in your income for federal income tax purposes for the year in which the distribution is made. The 10% additional tax on early withdrawals described in Section 7(d) above will not apply to any distribution included in a conversion contribution, unless you withdraw the conversion contribution from the Roth IRA during the 5-year period beginning with January 1 of the year in which the conversion contribution is made. Special rules apply to the amount of any nondeductible contributions included in the distribution that you contribute in a conversion contribution. Those amounts will not be includible in income or subject to the 10% additional tax described in Section 7(d) above either upon their

distribution from your account or on any subsequent distribution from the Roth IRA.

- (ii) **Method.** You may request that a distribution be made directly payable to the Roth IRA that is to receive it as a conversion contribution. Alternatively, you may request that the distribution be made payable to you, and you can cash the distribution check and contribute the proceeds in a conversion contribution to a Roth IRA within 60 days of the date you receive the distribution. Finally, if you wish to convert your account to a Putnam Roth IRA, you can simply instruct Putnam Fiduciary Trust Company to convert your account to a Putnam Roth IRA. If you have not already established a Putnam Roth IRA prior to providing this instruction, your Putnam Traditional IRA Adoption Agreement will be treated as the Adoption Agreement for your Putnam Roth IRA. In addition, the Putnam Roth IRA Plan document will be treated as an amendment and restatement of your Putnam Traditional IRA plan document and will govern your account following its conversion to a Putnam Roth IRA.
  
- (c) **Transferring your account.** You may directly transfer your account to a traditional IRA sponsored by another trustee or custodian. The transfer will not be treated as a rollover to the other traditional IRA and thus will not affect the 12-month waiting period described in Section 8(a)(iii) above. The transfer will not be reported to the Internal Revenue Service, and you should not include the amount transferred in your gross income so long as you do not receive any part of it in connection with the transfer. Following your death, your beneficiary may also transfer his portion of your account as described above.

## 9. Prohibited Transactions

- (a) **Prohibited transactions.** The following transactions between you and your Putnam Traditional IRA are prohibited: selling, exchanging or leasing any property; lending money or otherwise extending credit; furnishing goods, services or facilities; and transferring assets of your Putnam Traditional IRA for your use or for your benefit other than certain distributions from your account. If you engage in one or more of these transactions, your Putnam Traditional IRA will be disqualified and the balance of the account will be treated as distributed as of the first day of the year in which the prohibited transaction occurs. The tax-favored status of your Putnam Traditional IRA will be lost and earnings may be taxed to you as ordinary income. You may also have to pay an additional 10% tax on the taxable amount as described in Section 7(d) above.

- (b) **No pledging of account as security; no investment in collectibles.** You may not pledge your account as security for a loan or invest your account in “collectibles” such as art, antiques, gems or coins and bullion. If you do, the amount pledged or invested in the collectible is considered by the Internal Revenue Service to have been distributed to you and may be taxed as ordinary income during the year in which you make the pledge or investment. You may also have to pay an additional 10% tax on the taxable amount as described in Section 7(d) above.
- (c) **Beneficiary.** The prohibitions above will apply to your beneficiary following your death.

## 10. Other Information

- (a) **Internal Revenue Service approval.** The Putnam Traditional Individual Retirement Trust Account is a word-for-word adaptation of Internal Revenue Service Form 5305 and thus has been approved as to form for use as a traditional IRA by the Internal Revenue Service. As permitted, an Article VIII has been added to Form 5305. Internal Revenue Service approval is only an approval as to the form of the Putnam Traditional IRA and should not be considered a determination as to the merits of the Putnam Traditional IRA.
- (b) **Fees.** There is an annual maintenance fee per Putnam Traditional IRA, regardless of the number of Putnam mutual funds in which it is invested, in an amount set forth in the Adoption Agreement. Additional maintenance fees may apply to other investments held in the account. Unless you make a separate payment of this fee, this fee will be deducted from your account each year. If you withdraw or transfer the balance of your account before the deduction date, the fee may be deducted from the withdrawal or transfer. Putnam Fiduciary Trust Company may reduce this fee in connection with certain corporate programs or otherwise in its discretion. If you invest in a mutual fund, a sales charge may be deducted from your contributions or a contingent deferred sales charge may be deducted from withdrawal proceeds, depending on the class of shares you have selected. Please consult your mutual fund prospectus for details. The mutual fund in which you invest is under contract to its investment advisor to pay certain annual management fees and also pays operating and distribution expenses; these are also described in the prospectus.
- (c) **Additional information.** For any further information regarding traditional IRAs and the conditions and requirements to which they are subject, you should contact your tax advisor or your local district office of the Internal Revenue Service.



Form 5305-R (Rev. March 2002) Department of the Treasury Internal Revenue Service	<b>ROTH INDIVIDUAL RETIREMENT TRUST ACCOUNT</b>  (Under section 408(a) of the Internal Revenue Code)	<b>Do not file with the Internal Revenue Service</b>
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Name of grantor \_\_\_\_\_ Date of birth of grantor \_\_\_\_\_ Social Security number \_\_\_\_\_

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Address of grantor \_\_\_\_\_ Check if amendment

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Putnam Fiduciary Trust Company      One Post Office Square, Boston, MA 02109

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Name of trustee \_\_\_\_\_ Address or principal place of business of trustee \_\_\_\_\_

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

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

The grantor has assigned the trust \$ \_\_\_\_\_. The grantor and the trustee make the following agreement:

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## ARTICLE I

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA Conversion Contribution, the trustee will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

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## ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single grantor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married grantor filing jointly, between AGI of \$150,000 and \$160,000; and for a married grantor filing separately, between AGI of \$0 and \$10,000. In the case of a

conversion, the trustee will not accept IRA Conversion Contributions in a tax year if the grantor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the grantor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA Conversion Contributions.

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

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### ARTICLE III

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

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### ARTICLE IV

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

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### ARTICLE V

1. If the grantor dies before his or her entire interest is distributed to him or her and the grantor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:
  - (a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the grantor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the grantor.
  - (b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the grantor's death.
2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the

preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the grantor's death and subtracting 1 from the divisor for each subsequent year.

3. If the grantor's surviving spouse is the designated beneficiary, such spouse will then be treated as the grantor.

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## ARTICLE VI

1. The grantor agrees to provide the trustee with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The trustee agrees to submit to the IRS and grantor the reports prescribed by the IRS.

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## ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related Regulations, and other published guidance will be invalid.

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## ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear below.

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## ARTICLE IX

Article IX may be used for any additional provisions. If no other provisions will be added, draw a line through this space. If provisions are added, they must comply with applicable requirements of state law and the Internal Revenue Code.

### 1. **Effective Date**

Except as otherwise provided, the provisions of this instrument are effective as of January 1, 2014, or if later, the date on which the Account Owner establishes the Account.

## 2. Contributions

- (a) **Regular and Catch-Up Contributions.** Regular Contributions, and if applicable Catch-Up Contributions, may be made, not to exceed the lesser of (i) the amount determined under Article I above, as adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 219(b)(5)(D), (ii) the amount determined under Article II above as adjusted by the Secretary of the Treasury for cost-of-living increases under Code Section 408A(c)(3)(D), and (iii) the Account Owner's compensation for the year. For this purpose, if the Account Owner files a joint tax return with his spouse and has less compensation than his spouse, the amount in (iii) above may be increased by (A) the amount of the spouse's compensation for the year minus (B) the amount of the spouse's contributions to a traditional or Roth IRA for the year.

A Regular Contribution or a Catch-Up Contribution is deemed made for the calendar year in which the Trustee receives it, unless such contribution is received by the Trustee (or by an intermediary at the discretion of the Trustee) on or before the due date for the Account Owner's federal income tax return for that year (excluding extensions), and the Account Owner timely directs that it is made for the preceding calendar year. For purposes of the preceding sentence, a contribution shall be deemed received by the Trustee (or an intermediary) on the day it is post-marked by the United States Postal Service or submitted to a private delivery service that has been designated by the Internal Revenue Service for purposes of filing tax returns.

- (b) **Rollover Contributions.** A Rollover Contribution may be made at any time in any amount.
- (c) **Conversion Contributions.** Subject to the provisions of Article II, a Conversion Contribution may be made at any time in any amount.
- (d) **SIMPLE IRA Contributions.** No contribution may be made under a SIMPLE Plan established under Code Section 408(p).
- (e) **Certain Qualified Distribution and Qualified Reservist Distribution Recontributions.** A contribution not to exceed the amount of a qualified distribution described in Code Section 1400Q may be made at any time during the period permitted under the Code and Regulations. A contribution not to exceed the amount of a qualified reservist distribution described in Code Section 72(t)(2)(G) may be made at any time during the two-year period beginning on the day after the end of the active duty period.
- (f) **Recharacterizing Contributions.** A contribution may be recharacterized in accordance with Code Section 408A(d)(6) and Regulations promulgated thereunder.

- (g) **Form of Contributions.** All contributions, other than Rollover Contributions and Conversion Contributions, must be made in cash. Rollover Contributions and Conversion Contributions may be made in cash or another form of investment permitted under paragraph 4.
- (h) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to (i) collect, or determine the source or correctness of, any contribution or (ii) determine whether any contribution exceeds the limits of Articles I or II and this paragraph 2 of Article IX.

### 3. Beneficiaries

- (a) **Designation.** The Account Owner may designate one or more beneficiary(ies) of the Account. A beneficiary designation is not valid unless it is (i) in a form acceptable to the Trustee, which generally includes name, social security number, date of birth and address of the beneficiary, (ii) received by the Trustee on a date prior to the Account Owner's date of death and (iii) maintained in the Trustee's records at the time of any request for a distribution or other payment from the Account.
- (b) **Change or Revocation.** The Account Owner may change or revoke any beneficiary designation, provided such change or revocation meets the requirements of paragraph 3(a).
- (c) **No Revocation Upon Dissolution of Marriage.** A beneficiary designation will not automatically be revoked or modified by operation of law due to the Account Owner's divorce, legal separation, annulment or other dissolution of marriage. A beneficiary designation can only be changed or revoked in accordance with paragraph 3(b).
- (d) **Allocation of Account.** The Account Owner may direct the portion of the Account to be allocated to each beneficiary following the Account Owner's death, provided such direction meets the requirements of paragraph 3(a). Unless the Account Owner directs otherwise, the following rules apply.
  - (i) If more than one primary beneficiary is designated, then the Account will be allocated to all primary beneficiaries equally. If a primary beneficiary has predeceased the Account Owner, then his portion of the Account will be allocated to any surviving primary beneficiaries equally.
  - (ii) If no primary beneficiaries have survived the Account Owner, then the Account will be allocated to any contingent beneficiaries equally. If a contingent beneficiary has predeceased the Account Owner, then his portion of the Account will be allocated to any surviving contingent beneficiaries equally.

- (e) **Default Beneficiary.** If no primary or contingent beneficiary(ies) designated pursuant to paragraph 3(a) or (b) have survived the Account Owner or, if no beneficiaries have been properly designated at the time of the Account Owner's death, the primary beneficiary(ies) shall be the Account Owner's surviving spouse, or if none, his surviving children in equal shares or, if none, his estate.
- (f) **Spouse Beneficiary's Election to Treat Account as Own.** Following the death of the Account Owner, if the sole beneficiary is the Account Owner's surviving spouse, the beneficiary may treat the Account as the beneficiary's own Roth IRA. This election will be deemed made if the surviving spouse beneficiary makes a contribution to the Account or fails to receive a distribution otherwise required under Article V. This paragraph 3(f) of Article IX supersedes paragraph 3 of Article V.
- (g) **Minor or Incapacitated Beneficiary.** Following the death of the Account Owner, if the Trustee is notified that a beneficiary is a minor or otherwise lacks legal capacity under applicable state law, then the Trustee may distribute, or take any other action with respect to, such beneficiary's portion of the Account pursuant to the direction of the beneficiary's parent or legal representative; provided, however, such person must furnish or cause to be furnished evidence of authority that the Trustee deems necessary or desirable. The Trustee will not be liable for acting based upon authority that appears on its face to be genuine, or for failing or refusing to act based upon authority that it is not satisfied is genuine, and the Trustee has no duty of further inquiry.
- (h) **Death of Beneficiary.** Following the death of the Account Owner, a beneficiary may designate one or more persons to direct the investment, and to receive distribution, of the beneficiary's portion of the Account remaining at the time of the beneficiary's death, if any. Any such person (or, upon his death, any such person's estate) must receive distributions from the Account at least as rapidly as would have been required of the beneficiary under Article V had he survived.
- (i) **Claim of Beneficiary Status.** If following the death of the Account Owner any person who has not been properly designated as a beneficiary of the Account under paragraph 3(a) or 3(b) and who is not a default beneficiary under paragraph 3(e) (a "Claimant") claims to be a beneficiary of all or a portion of the Account then, notwithstanding anything herein to the contrary, the beneficiary(ies) of the Account will be the person or persons agreed upon in a writing acceptable to the Trustee by and between such Claimant and any other person or persons to whom a distribution might otherwise be made from the Account, including but not limited to any designated or default beneficiary(ies) who survive the Account Owner. Alternatively, or in the event that such persons fail or refuse to enter into such an agreement, the beneficiary(ies) shall be the person or persons

determined and identified in an order issued or certified by a court of competent jurisdiction that is binding upon all such persons.

- (j) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to (i) locate a beneficiary, or notify a beneficiary of the existence of the account, upon the Account Owner's death, or (ii) follow the direction of any person claiming to be a beneficiary of the Account, unless and until such person is determined to be a beneficiary pursuant to the provisions of this paragraph 3, and the Trustee has no duty of further inquiry.

#### 4. Investments

- (a) **Permitted Investments.** Account assets will be invested in open-end, non-tax-exempt Putnam Funds or other permissible investments that are offered by subsidiaries or affiliates of Putnam Investments, LLC and acceptable to the Trustee. An Account may also be invested in open-end, tax-exempt Putnam Funds upon request received in a form acceptable to the Trustee.
- (b) **Impermissible Investments.** Account assets may not be invested in any investment described in Article IV above or any investment that is not acceptable to the Trustee.
- (c) **Investment Direction.** The Account Owner will direct the Trustee with respect to the investment of amounts held in the Account. Unless otherwise directed, any cash dividends and capital gains distributions from a Putnam Fund will be reinvested in such Putnam Fund. The Trustee will have no duty or responsibility to question any investment directions it receives. The Account Owner hereby directs the Trustee to invest in the Putnam Money Market Fund (or other similar fund) any amounts held in the Account for which other investment directions are not received in good order. Notwithstanding the foregoing, the Trustee may postpone implementing investment directions for seven days from the date the Account is established. If the Account Owner authorizes his or her employer to withhold contributions from the Account Owner's pay and remit them to the Trustee periodically, those contributions may be held separately or on a pooled basis without interest or other earnings pending the employer's direction to the Trustee to allocate such contributions to the Account. Following the Account Owner's death, this paragraph 4(c) will apply to a beneficiary with respect to his portion of the Account as if such beneficiary were the Account Owner.
- (d) **Voting.** Subject to applicable law, the Trustee will deliver to the Account Owner copies of notices of shareholders' meetings, proxies and proxy-soliciting materials, prospectuses and annual or other reports to shareholders that it receives for securities in the Account. The Account Owner may direct the manner in which such securities are voted with

respect to any matters contained in such materials. In the event the Trustee does not timely receive voting instructions in good order for any shares of a Putnam Fund, the Account Owner affirmatively directs the Trustee to vote such shares in the same proportions as the Trustee has been instructed to vote the shares of such Putnam Fund held in all Putnam Roth IRAs. Following the Account Owner's death, this paragraph 4(d) will apply to a beneficiary with respect to his portion of the Account as if such beneficiary were the Account Owner.

- (e) **Investment Advice.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility to render advice with respect to the investment of amounts held in the Account and will not be liable for any loss incurred with respect to any investment purchased, sold or retained in accordance with the directions of the Account Owner (or, following the Account Owner's death, a beneficiary).

## 5. Distributions

- (a) **Direction.** Subject to the provisions of Article V and this Article IX, the Account Owner may direct the Trustee to distribute all or any portion of the Account, and following the Account Owner's death, a beneficiary may direct the Trustee to distribute all or any portion of his portion of the Account; provided, however, that the Trustee will not be required to make a distribution until it is furnished with any and all applications, certificates, tax waivers, signature guarantees and other documents and information (including evidence of any legal representative's authority) deemed necessary or desirable by the Trustee or that may be required by the Putnam Funds pursuant to the terms of their respective prospectuses and statements of additional information. Notwithstanding the foregoing, the Trustee will not be liable for complying with directions that appear on their face to be genuine, or for refusing to comply with directions that it is not satisfied are genuine, and the Trustee has no duty of further inquiry.
- (b) **Form.** Subject to the requirements of Article V, the Account Owner (and, following the Account Owner's death, a beneficiary) may direct distributions to be paid:
  - (i) from time to time in an amount designated by the Account Owner (or a beneficiary as the case may be) in cash or, at the discretion of the Trustee, in kind;
  - (ii) in monthly, quarterly, semiannual or annual installments in cash or, at the discretion of the Trustee, in kind over a designated period; or
  - (iii) in installments in cash consisting of current dividends and/or capital gains distributions from Putnam Funds held in the Account.



Nothing herein will require the Trustee to pay installments of less than \$50 per month. Upon notice to the Account Owner (or, following the Account Owner's death, a beneficiary) that a monthly installment will be less than \$50, the Trustee will not be obligated to continue such installment payment, or to make any other distribution, unless and until it receives proper direction to make a distribution in another permissible form.

- (c) **Qualified Charitable Distributions.** As may be permitted from time to time under the Code and Regulations, the Account Owner, acting under the procedures set forth in paragraph 5(a), may direct the Trustee to make a "qualified charitable distribution" as defined in Code Section 408(d)(8)(B) made payable to an organization described in Code Section 408(d)(8)(B)(i), provided that the Account Owner has attained age 70½ on or before the date of such distribution. By giving such direction, the Account Owner shall be deemed to certify to the Trustee that the distribution qualifies as a "qualified charitable distribution."
- (d) **Qualified Health Savings Account Distributions.** The Account Owner, acting under the procedures set forth in paragraph 5(a), may direct the Trustee to make a "qualified HSA funding distribution" as defined in Code Section 408(d)(9)(B) made payable to a health savings account as defined in Code Section 223(d)(1), provided that the requirements of Code Section 408(d)(9) are met. By giving such direction, the Account Owner shall be deemed to certify to the Trustee that the distribution qualifies as a "qualified HSA funding distribution."
- (e) **Withholding.** The Trustee will withhold 10% of the taxable portion of each distribution as federal income tax withholding, unless the Account Owner (or, following the Account Owner's death, a beneficiary) elects that no amount or another amount be withheld.
- (f) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility (i) to ensure that distributions are made in accordance with Article V or Code Sections 408(a)(6), 408A(c)(5), 408(d)(8), 408(d)(9) or 1400Q and any Regulations promulgated thereunder, (ii) to determine the correctness or taxable amount of any distribution or (iii) to make any distributions from the Account, unless and until it receives directions in accordance with this paragraph 5.

## 6. Transfers

- (a) **Transfers to Account.** To the extent permitted by applicable law, the Account Owner may direct the Trustee to accept the transfer of assets held on behalf of the Account Owner in another Roth IRA within the meaning of Code Section 408A(b); provided, however, that (i) the Trustee, before such transfer, may in its discretion require an opinion of counsel satisfactory to it

that the requirements of Code Section 408A or any successor provision of law are satisfied by such other Roth IRA, and (ii) such assets must be in cash or another form of investment permitted under paragraph 4. Upon such transfer, the terms and conditions of the account from which such transfer is made will have no further effect, and the terms and conditions of this Account will govern with respect to the assets transferred.

- (b) **Transfers from Account.** To the extent permitted by applicable law, the Account Owner (or, following the Account Owner's death, a beneficiary) may direct the Trustee to transfer assets held in the Account to another Roth IRA maintained on his behalf within the meaning of Code Section 408A(b); provided, however, that the Trustee will have the right to reduce the amount to be transferred by any amounts referred to in paragraph 7(d) of this Article IX. Upon such transfer, the terms and conditions of this Account will have no further effect, and the terms and conditions of the account to which such transfer is made will govern with respect to the assets transferred.
- (c) **Transfers Incident to Divorce.** All or any portion of the Account may be transferred to the Account Owner's spouse or former spouse pursuant to a divorce or separation instrument in accordance with Code Section 408(d)(6). At the time of such transfer and thereafter, the transferred portion will be treated as the Account of such spouse or former spouse, and the provisions of this Account will be interpreted and applied by treating the spouse or former spouse as the Account Owner.
- (d) **Limitation of Trustee's Responsibilities.** Notwithstanding any other provision herein, the Trustee has no duty or responsibility (i) to collect any transfer to the Account, (ii) to determine the correctness of any transfer to or from the Account or (iii) to determine whether any other account to or from which a transfer is made is a Roth IRA within the meaning of Code Section 408A(b) maintained on behalf of the Account Owner (or a beneficiary as the case may be).

## 7. Powers and Duties of the Trustee

- (a) **Trustee Powers.** In addition to and not in limitation of such powers as the Trustee has by law or under any other provisions of this instrument, and subject to the limitations set forth in this instrument, the Trustee has the power:
  - (i) to deal with all or any part of the Account;
  - (ii) to retain uninvested such cash as it may deem necessary or advisable, without liability for interest thereon;

- (iii) to enforce by suit or otherwise, or to waive, its rights on behalf of the Account, and to defend claims asserted against it or the Account, provided that the Trustee is indemnified by the Account Owner to its satisfaction against liability and expenses;
  - (iv) to compromise, adjust and settle any and all claims against or in favor of it or the Account;
  - (v) to register securities in its own name (with or without indication of its capacity hereunder), including commingling with other securities held by the Trustee;
  - (vi) to enter into contracts or participating interests for investments under the Account;
  - (vii) to make, execute, acknowledge and deliver any and all instruments that it deems necessary or appropriate to carry out the powers herein granted; and
  - (viii) generally to exercise any of the powers of an owner with respect to all or any part of the Account.
- (b) **Record Keeping.** The Trustee will maintain records showing the amount of the Account Owner's interest in the Account. Upon request, the Trustee will maintain records showing the amount of each beneficiary's interest in the Account. The Trustee will also give access to its records with respect to the Account at reasonable times and upon reasonable notice to the Account Owner (or beneficiary as the case may be) or his designee or to any person required by law to have access to such records.
- (c) **Accounting.** Within a reasonable period after the end of each calendar year and after the termination of the Account, the Trustee will render or make available to the Account Owner (or a beneficiary as the case may be) and to other persons as required by law ("Recipients") an accounting of transactions under the Account during the preceding calendar year or interim period through termination. The following rules will apply to such accounting, to the extent permitted by applicable law. The accounting will be considered approved with the same effect as though it had been judicially allowed, except to the extent that, within 60 days after the accounting is rendered, a Recipient notifies the Trustee of an objection to a matter or transaction shown in, or omitted from, the accounting. If such notice is timely given and such objections cannot be amicably settled, the Recipient will have the right to have such objections settled by judicial proceedings, provided that such proceedings commence within 60 days from the filing of the objection to the accounting. Nothing herein will be construed as depriving the Trustee of the right to have a judicial settlement of accounting. In any proceeding for a judicial settlement, the only

necessary parties will be the Trustee and all persons to whom the accounting was rendered, and any judgment or decree entered in any such proceeding will be binding and conclusive on all persons claiming to have any interest in the Account.

- (d) **Compensation.** The Trustee will be entitled to reasonable compensation for services rendered, as determined from time to time on such basis as will be specified by the Trustee. Unless otherwise provided, the Trustee's compensation and all reasonable expenses incurred by it in the administration of the Account will be paid from the Account. The Account Owner expressly authorizes the Trustee to redeem Account investments for the purpose of paying such amounts.
- (e) **Limitation of Liability.** The Trustee will be responsible hereunder only with respect to amounts actually deposited in the Account and earnings thereon. The Trustee will not be liable for any acts or omissions, except its own negligence or bad faith in failing to carry out its obligations under this instrument and the Adoption Agreement. The Trustee makes no representation and has no duty or responsibility with respect to the federal or state tax treatment of contributions to the Account, the earnings thereon or distributions from the Account.
- (f) **Reliance.** For all purposes hereunder, the Trustee may conclusively rely on any information provided by the Account Owner or, following the Account Owner's death, a beneficiary or any person entitled to act for either hereunder.
- (g) **Successor.** Any corporation or other entity into which the Trustee may merge or with which it may consolidate or any corporation or other entity resulting from any such merger or consolidation will be the successor of the Trustee hereunder without the execution or filing of any additional instrument or the performance of any further act.
- (h) **Resignation.** The Trustee may resign at any time upon 30 days notice to the Account Owner (or, following the Account Owner's death, a beneficiary). Resignation of the Trustee will not terminate the Account. The Account Owner (or a beneficiary as the case may be) will take all reasonable steps necessary to appoint a successor trustee or, if the Account Owner (or beneficiary) fails or refuses to do so, the Trustee may appoint a successor trustee. Any successor trustee will be a "bank" within the meaning of Code Section 581 or another person found qualified to act as a trustee or custodian of an individual retirement account within the meaning of Code Section 408(a) by the Secretary of the Treasury or his delegate. The appointment of a successor trustee will be effective upon receipt by the Trustee of its written acceptance of such appointment. Within 30 days of the effective date of a successor trustee's appointment, the Trustee will perform all acts necessary to transfer and deliver the assets and records of

the Account to the successor trustee. Notwithstanding the foregoing, the Trustee may reserve such portion of the Account as it may reasonably determine to be necessary for payment of its compensation and any taxes and expenses and any balance of such reserve remaining after payment of such compensation, taxes and expenses will be paid over to the successor trustee.

## 8. Amendment and Termination of Account

- (a) **Amendment.** The Trustee may at any time and from time to time modify or amend this instrument as is necessary or desirable by delivering (including via electronic methods) a copy of the amendment to the Account Owner (or, following the Account Owner's death, each beneficiary) at the address then contained in the Trustee's records. Any amendment may apply retroactively, to the extent permitted under applicable law. The Account Owner (or a beneficiary as the case may be) will be deemed to have consented to and adopted any modification or amendment so made. No amendment of this Account may be inconsistent with applicable law or cause any part of the Account to be used for a purpose other than for the exclusive benefit of the Account Owner and his beneficiaries. No amendment will change the rights, duties or responsibilities of the Trustee without its written consent. The Account Owner specifically acknowledges that the Account may require amendment as a result of changes in the laws governing Roth IRAs within the meaning of Code Section 408A(b) or in response to guidance published by the Internal Revenue Service.
- (b) **Termination.** An Account Owner may terminate the Account at any time by delivering a written notice of termination to the Trustee. On termination, if permitted by the terms of the investments then held in the Account, the Trustee will distribute the Account (reduced by any penalty applicable thereto, any withholding under paragraph 5(e) and any amounts to which the Trustee is then entitled under paragraph 7(d)) in a single sum payment in cash or in kind, at the discretion of the Trustee, as the Account Owner directs. Upon complete distribution of the Account for any reason, the Account will terminate and will have no further force and effect, and the Trustee will have no further obligation or liability with respect to the Account except as required by applicable law. Following the Account Owner's death, this paragraph 8(b) will apply to a beneficiary's portion of the Account as if the beneficiary were the Account Owner.

## 9. Other Terms and Conditions

- (a) **Spendthrift Provision.** To the extent permitted by applicable law, and except as provided herein, a beneficial interest in the Account will not be assignable, subject to hypothecation, pledge or lien, nor subject to attachment or receivership, nor will it pass to any trustee in bankruptcy or

be reached or applied by legal process for the payment of any obligation of the beneficial owner hereunder.

- (b) **Directions and Designations.** Except as otherwise provided herein and subject to applicable law, any direction or designation hereunder may be made in writing or by or through another medium acceptable to the Trustee.
- (c) **Security.** The Account Owner authorizes, and acknowledges and assumes the risk inherent in, the use of a personal identification number and other identifying information as a security mechanism to ensure confidentiality of Account data and to ensure proper identification of the person directing, or otherwise communicating with, the Trustee through a telephone representative, a voice response unit, the Internet or other electronic means. The Account Owner directs the Trustee to follow any direction it receives through a telephone representative, a voice response unit, the Internet or other electronic means with respect to the Account, provided that the Trustee is given the appropriate personal identification number and other identifying information.
- (d) **Notices.** All notices from the Trustee will be deemed to have been given when mailed to the address of the Account Owner (or, following receipt of notice of the Account Owner's death, a beneficiary) then contained in the Trustee's records. All notices from the Account Owner (or a beneficiary as the case may be) will be deemed to have been given when received by the Trustee.
- (e) **Payment of Taxes.** Notwithstanding any other provision herein, in the event the Trustee is required to pay any tax with respect to the Account, the Account Owner expressly authorizes the Trustee to redeem Account investments for the purpose of paying such taxes.
- (f) **Incapacity of Account Owner.** In the event the Account Owner (or, following the Account Owner's death, a beneficiary) becomes legally incapacitated under applicable state law, the Trustee may follow the direction of his legal representative; provided, however, that such representative must furnish or cause to be furnished evidence of authority that the Trustee deems necessary or desirable. The Trustee will not be liable for acting based upon authority that appears on its face to be genuine, or for failing or refusing to act based upon authority that it is not satisfied is genuine, and the Trustee has no duty of further inquiry.
- (g) **Governing Law.** This instrument and the Adoption Agreement will be construed, administered and enforced according to the laws of The Commonwealth of Massachusetts (determined without regard to its choice of law rules) and according to the Code with the intention of maintaining

the qualification of the Account for the tax benefits afforded by Code Section 408A.

## 10. Definitions

- (a) **Account.** The Roth IRA set forth in this instrument and the related Adoption Agreement, as they may be amended from time to time.
- (b) **Account Owner.** The individual who is named as the grantor in this instrument and is shown as owning the Account in the Adoption Agreement with respect to the Account.
- (c) **Adoption Agreement.** The agreement through which the Account Owner adopts the Account and agrees to its terms and conditions. In the case of an Account established through a Conversion Contribution of an existing Putnam Traditional IRA, the Adoption Agreement is the agreement through which the Account Owner adopted the Putnam Traditional IRA and agreed to its terms and conditions, as amended and restated by this instrument.
- (d) **Catch-Up Contribution.** A contribution described in Article I to the extent that such contribution exceeds the amount applicable to individuals who have not reached age 50 before the close of the taxable year and does not exceed the amount applicable to individuals who have reached age 50 before the close of the taxable year.
- (e) **Code.** The Internal Revenue Code of 1986, as it may be amended from time to time.
- (f) **Conversion Contribution.** A (i) qualified rollover contribution, as described in Code Section 408A(e), from an individual retirement plan (other than a Roth IRA), (ii) if the Account Owner owns a Putnam Traditional IRA, an instruction by the Account Owner to the Trustee to convert all or a portion of such Putnam Traditional IRA to a Putnam Roth IRA, in which case this instrument will constitute an amendment and restatement of the Putnam Traditional IRA plan with respect to the amount converted, effective as of the date of such Conversion Contribution or (iii) a qualified rollover contribution from an eligible retirement plan described in Code Section 402(c)(8)(B) other than clauses (i) and (ii) thereof.
- (g) **Putnam Funds.** Shares issued by any registered investment company for which Putnam Investment Management, LLC, or its successor or affiliate, serves as investment advisor, or for which Putnam Retail Management Limited Partnership or its successor or affiliate, serves as principal underwriter; provided, however, that in the case of any open-end investment company, the then current prospectus provides that such investment company offers its shares for purchase under the Account.

- (h) **Regular Contribution.** A contribution described in Article I to the extent that such contribution does not exceed the amount applicable to individuals who have not reached age 50 before the close of the taxable year.
- (i) **Regulations.** Treasury regulations promulgated under the Internal Revenue Code of 1986.
- (j) **Rollover Contribution.** A qualified rollover contribution, as described in Code Section 408A(e)(1) or a qualified rollover contribution from a designated Roth account described in Code Section 402A.

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Grantor's Signature

Date




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Trustee's Signature

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Witness' Signature (Use only if signature of the grantor or the trustee is required to be witnessed.)

## GENERAL INSTRUCTIONS

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

### Purpose of Form

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

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

Unlike contributions to traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the grantor's gross income; and distributions after 5 years that are made when the grantor is 59½ years of age or older or on account of death, disability, or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590**, Individual Retirement Arrangements (IRAs).

### Definitions

**IRA Conversion Contributions.** IRA Conversion Contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA



is an individual retirement account or annuity described section 408(a) or 408(b), other than a Roth IRA.

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

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

### **Specific Instructions**

**Article I.** The grantor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the grantor have been made for the same tax year, (2) the grantor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the grantor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The grantor should see the disclosure statement or Pub. 590 for more information.

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

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

## PUTNAM ROTH IRA

### DISCLOSURE STATEMENT

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This Disclosure Statement describes the features of the Putnam Roth Individual Retirement Account and the principal federal income tax rules that apply to it. If any statement made in this Disclosure Statement varies from the Putnam Roth IRA Adoption Agreement and Putnam Roth Individual Retirement Trust Account Agreement (Form 5305-R), the Adoption Agreement and Account Agreement documents will control. If you have any questions about your Putnam Roth IRA, you may call a Putnam representative at 1-800-225-1581 or consult your own tax or financial advisor. You should also consult your own tax or financial advisor about state income tax rules, which may differ from the federal income tax rules described in this Disclosure Statement.

#### 1. Establishing Your Account

- (a) **Establishment.** To establish a Putnam Roth IRA, you must complete a Putnam Roth IRA Adoption Agreement and Putnam Roth Individual Retirement Trust Account Agreement (Form 5305-R) and submit the Adoption Agreement to Putnam Fiduciary Trust Company. Alternatively, if you own a Putnam Traditional IRA that you wish to convert to a Roth IRA, you can establish a Putnam Roth IRA by instructing Putnam Fiduciary Trust Company to convert your Putnam Traditional IRA to a Putnam Roth IRA.
- (b) **Revocation.** You may elect to revoke your Putnam Roth IRA within seven days of the date on which you establish it. In order to revoke your Putnam Roth IRA, you should mail or deliver a written request stating that “I hereby elect to revoke my Putnam Roth IRA,” with your signature written exactly as it appears on your Adoption Agreement, to Putnam Investor Services, Inc., P.O. Box 8383, Boston, MA 02266. The revocation request will be considered given as of the date of the postmark (or date of certification or registration if sent certified or registered mail). Upon receipt of the revocation request, the entire amount contributed to your account will be returned to you, without adjustment for maintenance fees, interest accrued or fluctuation in market value. If you have any questions about this procedure you may contact a Putnam representative by telephone at 1-800-225-1581. Putnam Fiduciary Trust Company reserves the right to postpone the investment of contributions during the revocation period.
- (c) **Governing documents and laws.** Your account is governed by the terms of your Adoption Agreement and the Putnam Roth Individual Retirement Trust Account Agreement (Form 5305-R). The Adoption Agreement and Putnam Roth Individual Retirement Trust Account Agreement (Form 5305-R) will be

construed, administered and enforced in accordance with the laws of the Commonwealth of Massachusetts and applicable federal law.

- (d) **Trust.** Putnam Fiduciary Trust Company, as trustee, will hold your account in trust exclusively for your benefit while you are alive, and for the benefit of your beneficiary(ies) after your death. Putnam Fiduciary Trust Company is a New Hampshire non-depository trust company subject to periodic examination by the New Hampshire Banking Department.
- (e) **Nonforfeitability.** Your account is nonforfeitable at all times.

## 2. Contributing to Your Account

- (a) **Form of contributions.** All contributions other than rollover or conversion contributions must be made in cash (although for this purpose cash does not include paper currency). Rollover and conversion contributions may be made in cash or in any other form of investment acceptable to Putnam Fiduciary Trust Company. While you cannot contribute securities or other assets to your account (except in a rollover or conversion contribution), you can liquidate securities or other assets and contribute the cash proceeds to your account.
- (b) **Regular and catch-up contributions.** You may contribute to your account from your own checking account, savings account or other cash assets. The maximum amount you may contribute for a year depends on your age and certain other factors as described below.
  - (i) **Maximum amount if under age 50.** You may contribute up to \$5,500 (as adjusted from time to time) each year before the year that contains your 50th birthday. These contributions are known as regular contributions.
  - (ii) **Maximum amount if age 50 or over.** You may contribute up to \$1,000 in addition to your maximum regular contribution for each year after the year that contains your 49th birthday. These additional contributions are known as catch-up contributions.
  - (iii) **Maximum reduced based on modified adjusted gross income.** For 2014, if your modified adjusted gross income is not more than the amounts below (based on your federal income tax filing status), you may make the maximum amount of regular and, if applicable, catch-up contributions described in Section 2(b)(i) and (ii) above.

Modified Adjusted Gross Income	Federal Income Tax Filing Status
\$181,000 .....	Married filing jointly
\$114,000 .....	Single or head of household
\$0 .....	Married filing separately

These amounts are subject to cost of living adjustments annually. Your modified adjusted gross income is generally the adjusted gross income shown on your federal income tax return refigured without taking into account any of the following amounts: income resulting from conversion contributions described in Section 2(d) below, IRA deductions, student loan interest deductions, foreign earned income exclusions, foreign housing exclusions or deductions, exclusions of qualified savings bond interest shown on Form 8815, exclusions of employer-paid adoption expenses shown on Form 8839, U.S. production activities deductions and deductions for qualified tuition and related expenses. For this purpose, your adjusted gross income for a year does not include the amount of a rollover contribution or an amount of a conversion contribution. For purposes of determining your tax filing status, you are not treated as married if you live apart from your spouse for the entire taxable year and file a separate federal income tax return.

The maximum amount you may contribute is phased out if your modified adjusted gross income exceeds the dollar amounts above. You may not make any regular contributions to your account for a year if your adjusted gross income is at least \$10,000 more than the amounts above (if married filing jointly or separately) or \$15,000 more than the amount above (if single or head of household). If your modified adjusted gross income exceeds the amounts in the chart above, you can calculate the maximum amount of your contributions by following these steps:

*Step 1* - Subtract the amount in the chart above from your modified adjusted gross income.

*Step 2* - Divide the result from Step 1 by \$10,000 (if married and filing jointly or separately) or \$15,000 (if filing singly or as head of household).

*Step 3* - Multiply the result from Step 2 by the maximum contribution amount for the year.

*Step 4* - Subtract the result from Step 3 from the maximum contribution amount for the year.

When calculating the maximum amount of your regular and catch-up contributions, round up to the nearest \$10. If the maximum amount is more than \$0 but less than \$200, you may contribute up to \$200.

Example: Assume that you are age 45, have adjusted gross income of \$186,914 for 2014, are married and file a joint return and have not made any regular contributions to a traditional IRA. To calculate the maximum amount of regular contributions you may make for 2014, subtract the amount in the chart above from your adjusted gross income ( $\$186,914 - \$181,000 = \$5,914$ ). Then, divide this amount by \$10,000 ( $\$5,914 \div \$10,000 = 0.5914$ ). Multiply the quotient by the maximum regular contribution amount for the year ( $0.5914 \times \$5,500 = \$3,253$ ). Round up to the nearest \$10 (\$3,260). Subtract the result from the maximum regular contribution amount for the year ( $\$5,500 - \$3,260 = \$2,240$ ). Your maximum regular contribution amount would be \$2,240 for 2014.

- (iv) **Maximum reduced by contribution to traditional IRA.** If you make regular or catch-up contributions to a traditional IRA for a year, the maximum amount of regular or catch-up contributions you may make to your Putnam Roth IRA for that year is the smaller of
  - (A) the maximum amount in Section 2(b)(i), and if applicable 2(b)(ii), minus the amount of regular contributions to the traditional IRA or
  - (B) the maximum amount under Section 2(b)(iii) above.
- (v) **Maximum cannot exceed your compensation.** Regardless of the maximum that might otherwise apply to you under Sections 2(b)(i) through 2(b)(iv) above, you may not make regular or catch-up contributions in excess of the amount of your compensation for a year. For this purpose, if you are married, file a joint federal income tax return and earn less than your spouse, you may increase your own compensation by the amount of your spouse's compensation, less the amount of any regular or catch-up contributions to a Roth IRA or a traditional IRA that your spouse makes for the year.

Compensation generally includes wages, salaries, professional fees or other amounts derived from or received for personal service actually rendered (including commissions, tips, bonuses and certain differential wage payments). Compensation also includes self-employment income (reduced by the amount of any deduction for contributions to a qualified plan) and all taxable alimony and

separate maintenance payments under a divorce or separation instrument. Compensation also includes pay for active duty military service received in any month you are a member of the armed forces serving in a designated “combat zone” or hospitalized as a result of a combat zone wound, disease or injury (“combat zone pay”) as well as certain differential pay. Compensation does not include investment earnings or other earnings from property, or any amount you receive as a pension or annuity or as deferred compensation.

- (vi) **Contributions to other Roth IRAs.** The limits described above apply to regular contributions and catch-up contributions to all Roth IRAs you own. As a result, the amount of regular contributions and catch-up contributions you make to your Putnam Roth IRA will reduce the amount that you are eligible to contribute to any other Roth IRA you own for that year. Similarly, regular contributions and catch-up contributions you make to other Roth IRAs you own for a year will reduce the amount of regular contributions you can make to your Putnam Roth IRA for that year.
- (vii) **Year of contribution.** You should designate the year for which a regular or catch-up contribution is made. You may designate that a contribution is made for a year at any time from the first day of that year until the due date for your federal income tax return for that year (excluding extensions). For example, you may designate a regular contribution as having been made for 2014 at any time from January 1, 2014, through April 15, 2015. If you do not designate the year for which a contribution is made, Putnam Fiduciary Trust Company will treat the contribution as having been made for the calendar year in which it is received. For this purpose, a contribution will be deemed received on the day it is post-marked by the United States Postal Service or submitted to a private delivery service that has been designated by the Internal Revenue Service for purposes of filing tax returns.
- (viii) **Deposit of Federal Income Tax Refunds.** Subject to all of the limitations described in this Section 2, you may choose to have a refund of federal income taxes directly deposited into your Putnam Roth IRA as a regular contribution or a catch-up contribution.
- (ix) **Military Death Gratuities and Servicemembers’ Group Life Insurance.** Under certain circumstances military death gratuities and Servicemembers’ Group Life Insurance payments may be contributed to your Putnam Roth IRA (and will generally be treated as a qualified rollover contribution as described below). You should contact your

tax advisor to determine whether you are eligible to make such contributions.

- (c) **Rollover contributions.** Except as described below, you may contribute a distribution from another Roth IRA owned by you or a distribution that you receive as beneficiary of a Roth IRA owned by your spouse. You may also contribute a qualified rollover contribution from a designated Roth account described in Internal Revenue Code of 1986 (“Code”) Section 402A. These contributions are known as rollover contributions.
- (i) **Exceptions.** You may not make a rollover contribution if you have made another rollover contribution to a Roth IRA, a traditional IRA, a simplified employee pension plan or a SIMPLE IRA in the preceding 12 months.
  - (ii) **Rollover from a designated Roth account.** A rollover from a designated Roth account must comply with applicable requirements under the qualified plan or 403(b) arrangement. Special rules apply to the amount of any nondeductible contributions included in the distribution you contribute in such a rollover contribution. Generally, the rollover contribution will not be includible in income or subject to the 10% additional tax described in Section 6(d) below either upon their distribution from your qualified plan or 403(b) annuity contract or on any subsequent distribution from your account.
  - (iii) **No maximum amount.** A rollover contribution can be any amount.
  - (iv) **Method.** A rollover contribution can be made in two ways. First, you can have the distribution you wish to contribute made payable directly to Putnam Fiduciary Trust Company. Second, if a distribution is made payable to you, you can cash the distribution check and contribute the proceeds within 60 days of the date you receive the distribution.
- (d) **Conversion contributions.** Except as described below, you may contribute a distribution from a traditional IRA, an individual retirement account under a simplified employee pension plan or a SIMPLE IRA that has been open for at least two years. You may also, under certain circumstances, contribute any amount you receive as a distribution from an “eligible retirement plan”. For this purpose, an eligible retirement plan is a qualified plan described in Code Section 401(a), an annuity plan described in Code Section 403(a) or (b), or a governmental plan described under Code Section 457(b), but is not a designated Roth account described in paragraph 2(c) above. You may also contribute any of the foregoing distributions you receive as the beneficiary of an account owned by your spouse. Finally, you may contribute a distribution from an eligible retirement plan that you receive as the

beneficiary of someone other than your spouse if the amount is directly transferred to an IRA that is established for the purposes of receiving this form of distribution. These contributions are known as conversion contributions.

- (i) **Exceptions.** You may not make a conversion contribution of any required minimum distribution you receive after reaching age 70½.
- (ii) **Beneficiary distributions.** You may contribute a distribution described above that you receive as beneficiary of an account owned by your spouse. The IRA is treated as an inherited IRA and the required minimum distribution rules described in Section 6(f) below apply. In addition, if you contribute a rollover from an account owned by your spouse, you may elect to treat the IRA as your own as described below in Section 6(f).
- (iii) **Tax treatment of distribution included in conversion contribution.** The amount distributed from your traditional IRA, simplified employee pension plan, SIMPLE IRA or eligible retirement plan that you contribute in a conversion contribution must be included in your income for federal income tax purposes for the year in which the distribution is made. The 10% additional tax on early withdrawals described in Section 6(d) below will not apply to any distribution included in a conversion contribution, unless and until you withdraw the conversion contribution during the five-year period beginning with January 1 of the year in which the conversion contribution is made. Special rules apply to the amount of any nondeductible contributions included in the distribution you contribute in a conversion contribution. Those amounts will not be includible in income or subject to the 10% additional tax described in Section 6(d) below either upon their distribution from your traditional IRA, simplified employee pension plan, SIMPLE IRA or eligible retirement plan or on any subsequent distribution from your account.
- (iv) **Maximum amount.** A conversion contribution can be any amount.
- (v) **Method.** A conversion contribution can be made in the following ways. First, you can have the distribution you wish to contribute made payable directly to Putnam Fiduciary Trust Company. Second, if a distribution has been made payable to you, you can cash the distribution check and contribute the proceeds within 60 days of the date you receive the distribution. Such “indirect” method may not be used, however, if you are rolling over a distribution that you receive as a beneficiary of an account under an eligible retirement plan not owned by your spouse. Finally, if you own a Putnam Traditional IRA,



you can simply instruct Putnam Fiduciary Trust Company to convert your Putnam Traditional IRA to a Putnam Roth IRA. If you have not already established a Putnam Roth IRA prior to providing this instruction, your Putnam Traditional IRA Adoption Agreement will be treated as the Adoption Agreement for your Putnam Roth IRA. In addition, your Putnam Roth IRA plan document (Form 5305-R) will be treated as an amendment and restatement of your Putnam Traditional IRA plan document (Form 5305) and will govern your account following its conversion to a Putnam Roth IRA.

- (e) **Recontributions of qualified distributions on account of certain natural disasters and qualified reservist distributions.** You may contribute an amount up to the amount of a distribution qualified under Section 1400Q (as described in Section 6(d) below) at any time during the three-year period beginning on the day after the distribution was received (or such other period as may be permitted under the Code or Regulations). To the extent such a retribution is made, the original distribution will be treated as a rollover distribution. You may also contribute an amount up to the amount of a “qualified reservist distribution” (as described in Section 6(d) below) at any time during the two-year period beginning on the day after the end of the active duty period.
- (f) **Recharacterizing contributions.** You may recharacterize a contribution to your account as a contribution to another IRA by transferring the contribution and its earnings directly to the trustee of the other IRA by the deadline for filing your federal income tax return for the year for which the contribution was made (including any extensions). The amount recharacterized will not be includible in your gross income for federal income tax purposes. You must provide certain information to Putnam Fiduciary Trust Company to effect a recharacterization.

If you recharacterize a conversion contribution, and thus transfer the conversion contribution back to a traditional IRA, you may not contribute that amount as a conversion contribution again until the beginning of the year after the year in which the original conversion contribution was made (or 30 days after the recharacterization, if later). If you attempt to contribute the recharacterized conversion contribution earlier, the attempted conversion contribution will be treated as a failed conversion that may be subject to tax and penalty.

- (g) **Contributions not deductible.** You may not claim a federal income tax deduction for any contribution to your account.

### 3. Correcting Excess Contributions

- (a) **Excess contributions.** An excess contribution is the portion of a regular or catch-up contribution that exceeds the maximum applicable amount described in Section 2(b) above or that is made in a form other than cash. For example, if you are under age 50, a regular contribution might be an excess contribution for 2014 because it exceeds \$5,500, exceeds the amount of your compensation or was contributed in the form of mutual fund shares. An excess contribution is subject to a 6% nondeductible penalty tax for the year for which it is made and each year thereafter, unless and until you correct the excess contribution as described below. You may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies to you.
- (b) **Correction by tax filing deadline.** You may avoid the 6% penalty tax entirely by withdrawing the excess contribution, together with its earnings, by the due date for filing your federal income tax return (including extensions) for the year for which the excess contribution was made. The amount of the excess contribution will not be includible in your income and will not be subject to the additional 10% tax described in Section 6(d) below. However, any earnings you withdraw will be includible in your income for the year in which the excess contribution was made and may also be subject to the additional 10% tax described in Section 6(d) below.
- (c) **Correction after tax filing deadline.** If you do not correct an excess contribution as described in Section 3(b) above, the 6% penalty tax will apply for the year for which the contribution was made. However, you can eliminate an excess contribution, and thus avoid the 6% penalty tax, for a subsequent year by contributing less than the amount of regular and catch-up contributions you are otherwise permitted to make for that year. If you choose to eliminate an excess contribution in this way, you will be subject to the 6% penalty tax for the year for which you contributed the excess contribution and for each subsequent year an excess amount remains in your account. For example, if you are age 35, are eligible to make the maximum contribution to your account and made an excess contribution of \$500 in 2013, you can eliminate that excess contribution by making no more than \$5,000 of regular contributions in 2014. In that case, you would owe the 6% penalty tax on the \$500 excess contribution for 2013. However, no penalty tax would be due for 2014.

#### 4. Designating a Beneficiary

- (a) **Designation.** You may designate one or more beneficiaries to receive your account after you die. If you designate more than one beneficiary, you may also designate the portion of your account that is to be allocated to each beneficiary. Any designation must be in writing (or by or through any other acceptable medium) in a form acceptable to Putnam Fiduciary Trust

Company, which generally includes name, social security number, date of birth and address of the beneficiary. In addition, it must be received by Putnam Fiduciary Trust Company prior to your date of death, and it must be on file at the time any beneficiary requests a withdrawal. You may change or revoke any designation, provided the change or revocation also meets these requirements. A beneficiary designation will not automatically be revoked or modified by operation of law as a result of your divorce, legal separation, annulment or other dissolution of marriage.

- (b) **Tax treatment.** The designation of a beneficiary to receive all or a portion of your account at your death is not considered a transfer subject to federal gift taxes. However, amounts remaining in your account at the time of your death are includible in your gross estate for federal estate tax purposes.
- (c) **Default designations.** Unless you designate otherwise, the following rules will apply. If you designate more than one primary beneficiary, your account will be divided among all of your primary beneficiaries equally. If a primary beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving primary beneficiaries. If no primary beneficiaries have survived you, then your account will be divided among any contingent beneficiaries equally. If a contingent beneficiary has predeceased you, then his portion of your account will be divided equally among any surviving contingent beneficiaries. If no primary or contingent beneficiaries have survived you, then your surviving spouse, or if none, your surviving children in equal shares, or if none, your estate will be deemed your primary beneficiary(ies).
- (d) **Minor or incapacitated beneficiaries.** If a beneficiary is a minor or otherwise lacks legal capacity under applicable state law, his parent or legal representative may direct his portion of your account.
- (e) **Claim of beneficiary status.** If any person who has not been properly designated by you (or, in the absence of such designation, is not a person described in the last sentence of Section 4(c) above) claims to be a beneficiary of your account, Putnam Fiduciary Trust Company will not be required to make any distribution (or take any other action) unless and until all beneficiaries have been agreed upon in a written agreement or determined by a court of competent jurisdiction.
- (f) **Designation by your beneficiary.** Your beneficiary may designate one or more persons to control investments in, and receive distributions from, his portion of your account after his death. If no person is designated, then the beneficiary's estate shall be entitled to control investments in, and to receive distributions from, his portion of your account after his death. Any person so designated by your beneficiary (or, if none, your beneficiary's

estate) must withdraw the beneficiary's portion of your account at least as rapidly as would have been required of your beneficiary had he survived.

## 5. Investing Your Account

- (a) **Control of investments.** You may invest your account in open-end, non-tax-exempt Putnam mutual funds and any other permissible investments that are offered by subsidiaries or affiliates of Putnam Investments, LLC and acceptable to Putnam Fiduciary Trust Company. You may also invest your account in open-end, tax-exempt Putnam Funds upon request received in a form acceptable to the trustee. However, you are solely responsible for directing how amounts in your account are invested among those investments. To the extent you do not direct how amounts in your account are to be invested, or to the extent your investment directions are unclear, amounts will be invested in the Putnam Money Market Fund or other similar fund. The prospectus for each Putnam mutual fund outlines the mutual fund's investment objectives. You should consider these objectives carefully to determine whether they are consistent with your own planning. You should also understand that fluctuations in market value will affect the value of your account and that growth in the value of your account is neither guaranteed nor projected. If you select an investment other than a Putnam mutual fund, Putnam Fiduciary Trust Company may furnish you with additional information that will constitute part of this Disclosure Statement. Following your death, your beneficiary will control investments with respect to his portion of your account as described above.
- (b) **Federal income tax deferral.** Any earnings from your investments will not be subject to federal income tax until withdrawn from the account and then only to the extent described in Section 6 below.

## 6. Withdrawing Your Account

- (a) **General.** You may withdraw all or any portion of your account at any time for any reason. At any time after your death, your beneficiary may withdraw all or any portion of his portion of your account for any reason.
- (b) **Tax treatment.** A withdrawal from your account will not be subject to federal income tax or the 10% additional tax described in Section 6(d) below if the withdrawal is made after the close of the five-year period beginning with the first year for which you made a regular contribution or a conversion contribution to any Roth IRA and after one of the following conditions applies:
  - (i) you are at least age 59½;
  - (ii) the withdrawal is made after you become permanently disabled;

- (iii) the withdrawal is made after your death; or
- (iv) the withdrawal is used for a “first-time” home purchase (up to a lifetime maximum of \$10,000 from all IRAs you own).

Otherwise, a portion of your withdrawal may be subject to federal income tax. For purposes of determining the portion that is subject to federal income tax, your withdrawals are treated as made first from regular and catch-up contributions, then from conversion contributions on a first-in-first-out basis (and, to the extent from a particular conversion contribution, first from the portion required to be included in your income for federal income tax purposes) and finally from earnings. This means that your withdrawals will only be subject to federal income tax after you have withdrawn an amount equal to your total contributions. Once you have withdrawn an amount equal to your total contributions, your withdrawals will be subject to federal income tax and may also be subject to an additional 10% tax as described in Section 6(d) below. In figuring your tax, you cannot use the ten-year tax option or capital gain treatment that may apply to distributions from qualified plans.

- (c) **Federal income tax withholding.** Withdrawals that are not subject to federal income tax are also not subject to federal income tax withholding. Withdrawals that are subject to federal income tax are subject to federal income tax withholding at the rate of 10%, unless you elect not to have tax withheld. Any amounts withheld will be applied as a credit toward the federal income tax you owe for the year in which the withdrawal is made. If you elect no withholding, you are still liable for any income taxes due on the taxable portion of your withdrawal, and you could incur penalties if your withholding or estimated tax payments for the year are not enough.
- (d) **Penalty for early withdrawals.** A nondeductible additional 10% tax on the taxable portion of any withdrawal (as described in paragraph 6(b) above) that is not timely rolled over will apply unless:
  - (i) you are at least 59½ at the time of the withdrawal;
  - (ii) the withdrawal is made because of your permanent disability;
  - (iii) the withdrawal is paid in installment payments in substantially equal amounts over a period that does not exceed your life expectancy or the life expectancy of you and your beneficiary;
  - (iv) the withdrawal is used to pay unreimbursed medical expenses during the taxable year that exceed 10% of your adjusted gross income;

- (v) the withdrawal is used to pay health insurance premiums after you have received unemployment compensation for at least 12 weeks;
- (vi) the withdrawal is used to pay certain higher education expenses;
- (vii) the withdrawal is used for a “first-time” home purchase (up to a lifetime maximum of \$10,000 from all IRAs you own);
- (viii) the withdrawal is qualified under Code Section 1400Q (relating to certain distributions on account of natural disasters);
- (ix) the withdrawal is a “qualified reservist distribution;”
- (x) the withdrawal is a “qualified HSA funding distribution;” or
- (xi) the withdrawal is the result of an Internal Revenue Service levy.

The nondeductible additional 10% tax will not apply to withdrawals made by your beneficiary after your death. You may be required to file Form 5329 with the Internal Revenue Service for a year if the additional 10% tax applies to you.

A “qualified reservist distribution” is a distribution that was or is made to an individual called to active duty for a period of at least 180 days (or an indefinite period) after September 11, 2001 and before such date as may be designated by the Code or Regulations, and made during the period between the call to active duty and the end of the duty. A qualified reservist distribution may also be made from certain employer sponsored retirement plans, such as 401(k) plans or 403(b) plans.

A “qualified HSA funding distribution” is a distribution paid directly to a health savings account (“HSA”). A qualified HSA funding distribution is not subject to federal income tax or the 10% early withdrawal penalty. Generally, you may make only one qualified HSA funding distribution during your lifetime and it cannot exceed a maximum amount (normally equal to the annual limit you may contribute to your HSA). In addition, these exclusions only apply if you are an “eligible individual” (as defined under the HSA rules). In addition, they only apply to a distribution that is otherwise taxable (therefore most Roth IRA distributions will not qualify).

If you withdraw a conversion contribution from your account within the five-year period beginning on the first day of the year in which you made the conversion contribution, the additional 10% tax will apply to the taxable portion of the distribution you contributed in the conversion contribution (except to the extent one of the exceptions above applies).

- (e) **Required minimum distributions to you.** You are not required to withdraw any amount from your account during your lifetime.
- (f) **Required minimum distributions to your beneficiary.** You should make your beneficiary aware that he is subject to the required minimum distribution rules of the Code, and it is his responsibility to make sure that the rules are met.
  - (i) **Required Beginning Date.** Your beneficiary must withdraw at least a minimum amount of his portion of the account by December 31 of the year following the year of your death. This is known as your beneficiary's Required Beginning Date. If your sole beneficiary is your spouse, your spouse may elect to postpone these distributions until the end of the calendar year in which you would have reached age 70½. For each subsequent year, your beneficiary must also withdraw the required minimum amount by December 31 of that year.
  - (ii) **Amount based on life expectancy.** The minimum amount is determined by dividing the balance of your beneficiary's portion of your account as of December 31 of the preceding year by a distribution period factor. The distribution period factor for the first year following your death will equal your beneficiary's life expectancy under the Regulations' life expectancy tables based on your beneficiary's age as of his birthday in that year. For each subsequent year, your beneficiary should reduce the prior year's distribution period factor by one. However, if your beneficiary is your spouse, the distribution period factor may be recalculated for each subsequent year using your spouse's age as of his or her birthday in that year. For each year following the year of your spouse's death, the prior year's distribution period factor should be reduced by one.
  - (iii) **Alternate five-year distribution method.** Alternatively, or if your beneficiary is not a living person (for example, if your beneficiary is a trust), on or before December 31 of the year following the year of your death, your beneficiary may elect to withdraw his portion of the account at any time or times by the end of the calendar year containing the fifth anniversary of your death.
  - (iv) **Special rules for multiple beneficiaries.** If more than one beneficiary maintains an interest in your account as of September 30 of the year following the year of your death, special rules apply. Each of those beneficiaries may use a distribution period factor based on his own life expectancy for purposes of Sections 6(f)(i) and 6(f)(ii) above for years following the year in which a separate account is established for his interest, so long as the separate account is established by

December 31 of the year following the year of your death. Otherwise, all your beneficiaries must use a distribution period factor based on the life expectancy of the oldest beneficiary (or, if one or more of your beneficiaries is not a living person, all your beneficiaries must use the rules that apply to beneficiaries that are not living persons). Your beneficiaries must contact Putnam Fiduciary Trust Company to establish separate accounts for their interests under your account.

- (v) **Spouse's election to treat account as own.** If your spouse is the sole beneficiary of your account as of September 30 of the year following the year of your death and has an unlimited right to withdraw amounts from your account (for example, these requirements are not met if you have designated a trust as beneficiary of your account, even if your spouse is the sole beneficiary of that trust), your spouse may elect at any time after your death to treat your account as your spouse's own Roth IRA. Your spouse may make this election by requesting Putnam Fiduciary Trust Company to register the account in your spouse's name. Alternatively, your spouse will be deemed to have made this election if your spouse fails to withdraw a required minimum distribution for a year or makes an additional contribution to the account.

Making this election will not re-start or otherwise extend the five-year period that applies to the account for purposes of determining whether a withdrawal of earnings is subject to federal income tax. To the contrary, the five-year period applicable to your account may be shortened to coincide with the end of a five-year period that applies to another Roth IRA your spouse owns. However, if your spouse makes this election, your spouse may not treat subsequent withdrawals as having been made on account of your death for purposes of determining whether a withdrawal of earnings is subject to federal income tax as described in Section 6(b) above or penalty as described in Section 6(d) above.

- (g) **Penalty for failure to make required minimum distributions.** If the amount withdrawn by your beneficiary during a taxable year is less than the minimum amount required to be distributed, your beneficiary will be subject to a penalty tax equal to 50% of the deficiency, unless he can prove that the failure to receive the minimum distribution was due to reasonable cause and that reasonable steps are being taken to remedy the shortfall. You or your beneficiary may be required to file Form 5329 with the Internal Revenue Service for a year if the penalty tax applies.

## 7. Rolling Over or Transferring Your Account



- (a) **Rolling over your account.** You may roll over a withdrawal from your account to another Roth IRA. However, you may not roll over a withdrawal from your account to another type of tax-favored retirement account, such as a traditional IRA, a qualified plan (such as a Section 401(k) plan), a Section 403(a) annuity plan, a Section 403(b) annuity contract or custodial account or a Section 457 plan maintained by a governmental employer. If your beneficiary is your spouse, your beneficiary may also roll over a withdrawal to a Roth IRA following your death.

Unless your withdrawal is made directly payable to the other Roth IRA, you must deposit your withdrawal in the Roth IRA within 60 days from the date you receive your withdrawal. If you roll over a withdrawal to another Roth IRA, you may not make another roll over between IRAs for 12 months. Similarly, you may not roll over a withdrawal to another Roth IRA if you have already made another rollover between IRAs in the previous 12 months.

- (b) **Transferring your account.** You may directly transfer your account to a Roth IRA sponsored by another trustee or custodian. The transfer will not be treated as a rollover to the other Roth IRA and thus will not affect the 12-month waiting period described in Section 7(a) above. The transfer will not be reported to the Internal Revenue Service, and you should not include the amount transferred in your gross income so long as you do not receive any part of it in connection with the transfer. Following your death, your beneficiary may also transfer his portion of your account as described above.

## 8. Prohibited Transactions

- (a) **Prohibited transactions.** The following transactions between you and your Putnam Roth IRA are prohibited: selling, exchanging or leasing any property; lending money or otherwise extending credit; furnishing goods, services or facilities; and transferring assets of your Putnam Roth IRA for your use or for your benefit other than certain distributions from your account. If you engage in one or more of these transactions, your Putnam Roth IRA will be disqualified and the balance of the account will be treated as distributed as of the first day of the year in which the prohibited transaction occurs. The tax-favored status of your Putnam Roth IRA will be lost and earnings may be taxed to you as ordinary income. You may also have to pay an additional 10% tax on the taxable amount as described in Section 6(d) above.
- (b) **No pledging of account as security; no investment in collectibles.** You may not pledge your account as security for a loan or invest your account in “collectibles” such as art, antiques, gems or coins and bullion. If you do, the

amount pledged or invested in the collectible is considered by the Internal Revenue Service to have been distributed to you and may be taxed as ordinary income during the year in which you make the pledge or investment. You may also have to pay an additional 10% tax on the taxable amount as described in Section 6(d) above.

- (c) **Beneficiary.** The prohibitions above will apply to your beneficiary following your death.

## 9. Other Information

- (a) **Internal Revenue Service approval.** The Putnam Roth Individual Retirement Trust Account is a word-for-word adaptation of Internal Revenue Service Form 5305-R and thus has been approved as to form for use as a Roth IRA by the Internal Revenue Service. As permitted, an Article X has been added to the Form 5305-R. Internal Revenue Service approval is only an approval as to the form of the Putnam Roth IRA and should not be considered a determination as to the merits of the Putnam Roth IRA.
- (b) **Fees.** There is an annual maintenance fee per Putnam Roth IRA, regardless of the number of Putnam mutual funds in which it is invested, in an amount set forth in the Adoption Agreement. Additional maintenance fees may apply to other investments held in the account. Unless you make a separate payment of this fee, this fee will be deducted from your account each year. If you withdraw or transfer the balance of your account before the deduction date, the fee may be deducted from the withdrawal or transfer. Putnam Fiduciary Trust Company may reduce this fee in connection with certain corporate programs or otherwise in its discretion. If you invest in a mutual fund, a sales charge may be deducted from your contributions or a contingent deferred sales charge may be deducted from withdrawal proceeds, depending on the class of shares you have selected. Please consult your mutual fund prospectus for details. The mutual fund in which you invest is under contract to its investment advisor to pay certain annual management fees and also pays operating and distribution expenses; these are also described in the prospectus.
- (c) **Additional information.** For any further information regarding Roth IRAs and the conditions and requirements to which they are subject, you should contact your tax advisor or your local district office of the Internal Revenue Service.