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LIBERTY TRUST COMPANY

Consumer Privacy Policy

Privacy Notice:

We believe that each customer relationship at Liberty Trust Company, Ltd. is built on trust. We are committed to guarding that relationship with great care, beginning with the information you share with us. The following privacy policy explains how we use and protect the information about our customers. We ask that you read it carefully.

Information We Collect:

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from a consumer reporting agency.

Information That We Disclose:

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

Confidentiality and Security:

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

USA PATRIOT Act:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

DEFINITIONS

Below are some definitions that you might find helpful in setting up your account.

A. **TRANSFER:** Describes the movement of assets directly between IRA Custodians/Trustees **without distribution to the Accountholder**, resulting in no tax forms being generated by the current Custodian/Trustee or by the receiving Custodian/Trustee. In a transfer, checks from the current Custodian/Trustee will be made payable to the new Custodian/Trustee.

B. **ROLLOVER:** Describes a cash and/or asset contribution to an IRA by an individual within sixty (60) days of receiving an eligible rollover distribution. **To make a rollover, the individual must have received an eligible distribution made payable to him or her.** The individual may roll over all or any part of the actual amount received and, if the distribution was from an employer sponsored retirement plan or 403(a) or (b) annuity (thus subject to the 20% federal income tax withholding), he/she may roll over up to 100% of the distribution by making up the 20% difference that was previously withheld.

C. **DIRECT ROLLOVER:** Describes a movement of cash and/or assets that takes place directly between the Custodian/Trustee of an employer sponsored retirement plan (such as profit sharing, money purchase, defined benefit, etc.), or the administrator of a 403(a) or (b) annuity, and the Custodian/Trustee of an IRA. By directly rolling an eligible rollover distribution to this IRA (as opposed to receiving an outright distribution as described above under "Rollover"), the individual can avoid the mandatory 20% federal income tax withholding imposed on such distributions.

D. **INHERITED IRA (BENEFICIARY IRA/BENEFICIAL IRA):** An Inherited IRA is an IRA that has been inherited by the beneficiary after the death of the original Account Owner. This type of IRA is also referred to as an **Beneficiary IRA or a Beneficial IRA**. Since any type of IRA, whether Traditional or Roth, provides for the designation of a beneficiary, an Inherited IRA will also be a Traditional or Roth. Knowing whether the original account was a Traditional IRA or a Roth IRA is important because distributions from Traditional and Roth IRAs are taxed differently. (The original IRA could also have been a Simple IRA. The taxation rules regarding distributions from Simple IRAs generally follow the rules for Traditional IRAs. However, a special rule applies to distributions from a Simple IRA during the participant's first two years in the plan.) We require additional documentation and review before an Inherited IRA may be established or transferred. Generally, as indicated on the Account Application, we require decedent's name and date of death, as well as a copy of the death certificate.

There are four different types of Inherited IRAs:

1. **NON-SPOUSE BENEFICIARY:** This is an IRA inherited by a non-spouse beneficiary who is transferring to an account in the name of the deceased for benefit of the named beneficiary. The beneficiary must take distributions from the account to satisfy the required minimum distribution (RMD) rules. The beneficiary cannot make additional contributions or rollovers to the IRA.

2. **SPOUSE BENEFICIARY:** This is an IRA inherited by the surviving spouse beneficiary who is transferring to an account in the name of the deceased for benefit of the spouse beneficiary. The surviving spouse must start receiving required minimum distributions (RMDs). The first RMD would be for the year that the deceased accountholder would have reached age 70 ½. The spouse beneficiary could also assume the IRA as his/her own. See Spousal Assumption below.

3. **SPOUSAL ASSUMPTIONS:** The designated spouse beneficiary of the accountholder may elect to transfer or assume the spouse's IRA account as his or her own IRA. The regular IRA rules will apply as if the funds were originally contributed on behalf of the spouse. If the surviving spouse does not already have an account with Liberty Trust Company, Ltd., he or she will need to complete an Account Application and return it to us.

4. **NON-SPOUSE BENEFICIARY DIRECT ROLLOVER:** This type of account first became available in 2007 as a result of the Pension Protection Act passed in 2006. This involves the movement of cash and/or assets directly between the Custodian/Trustee of an employer sponsored retirement plan (such as profit sharing, money purchase, defined benefit, etc.) or the administrator of a 403(a) or (b) annuity and the trustee of a Traditional Inherited IRA. The IRA account must be established in the name of the deceased plan participant for the benefit of the non-spouse beneficiary. Distributions from this account are determined according to the timing of the rollover in relation to the date of death of the plan participant. Required distributions for the year of the transaction may not be rolled over to the Inherited IRA account.