

The background is a grayscale collage of financial documents. At the top, a US dollar bill is visible with the number '1' and the serial number 'I 67836'. Below it, a check is partially visible with the number '9'. To the right, a receipt is shown with the text 'NEW ACCOUNT APPLICATION' and 'CLIENT RECEIPT'. At the bottom, a calculator is visible with the number '6' on its display. The text 'PDP PAYROLL DEDUCTION PLAN' is overlaid in a blue serif font.

PDP

PAYROLL DEDUCTION PLAN

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

PFS Investments Inc.
3120 Breckinridge Boulevard
Duluth, GA 30099

Person to Contact:
Mr. C. Thompson
Telephone Number:
(202) 622-7021
Refer Reply to:
CP:E:EP:T:1

Date:

September 28, 1995

EIN Number: 58-1436188

Gentlemen:

In a letter dated March 17, 1995, and subsequent letters, your authorized representative requested a written notice of approval that PFS Investments Inc. may act as a nonbank custodian of plans qualified under section 401 of the Internal Revenue Code, accounts described in section 403(b)(7), and of individual retirement arrangements (IRAs) established under section 408.

Section 401(f) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section and the custodian is a bank (as defined in section 408(n)) or other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401 of the Code. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust by reason of the preceding sentence, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires, in part, that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). This section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to be invested in regulated investment company stock to be held in that custodial account, and under the custodial account no such amounts be paid or made available to any distributee before the employee dies, attains the age 59½, separates from service, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under this section if the assets of such account are held by a bank (as defined in subsection(n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in subsection (a). Section 408(h) also provides that, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

The Income Tax Regulations at section 1.401-12(n) are used to determine the ability of such person, for purposes of sections 401(f), 403(b)(7), and 408(h) of the Code, to act as a trustee or custodian. Section 1.401-12(n) of the regulations provides that such person must file a written application with the Commissioner demonstrating, as set forth in that section, its ability to act as a trustee or custodian.

Based on all the information submitted to this office and all the representations made in the application, we have concluded that PFS Investments Inc. meets the requirements of section 1.401-12(n) of the regulations, and, therefore, is approved to act as a nonbank custodian of plans qualified under section 401 of the Internal Revenue Code, accounts described in section 403 (b)(7), and of IRAs established under section 408.

This letter authorizes PFS Investments Inc. to act only as a nonbank custodian in a fashion similar to a passive nonbank trustee, within the meaning of section 1.401-12(n)(7) of the regulations, that is, it is authorized only to acquire and hold particular investments specified by the owner. It may not act as custodian if under the written agreement it has discretion to direct investments of the custodial funds.

This letter while authorizing PFS Investments Inc. to act as a custodian does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.401-12(n)(6)(viii)(C) of the regulations. PFS Investments Inc. may not act as a custodian unless it undertakes to act only under custodial agreements that contain a provision to the effect that the owner is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because the applicant has failed to comply with the requirements of section 1.401-12(n) of the regulations or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations.


PFS Investments Inc. is required to notify the Commissioner of Internal Revenue, Attn: C:E:EP:T, Internal Revenue Service, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of its application to act as a nonbank custodian of plans qualified under section 401 of the Code, accounts described in section 403(b)(7), and of IRAs established under section 408 is contingent upon the continued satisfaction of the criteria set forth in section 1.401-12(n) of the regulations.

This approval letter is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563 (a) of the Code, may not rely on an approval letter issued to another member of the same controlled group. Further, any entity that goes through a merger, consolidation or other type of reorganization may no longer rely on the approval letter issued to such entity prior to the merger, consolidation or other type of reorganization. Such entity will have to apply for a new determination letter in accordance with section 1.401-12(n) of the regulations.

This letter constitutes a determination that PFS Investments Inc. may act as a nonbank custodian of plans qualified under section 401 of the Code, accounts described in section 403(b)(7), and of IRAs established under section 408, and does not bear upon its capacity to act as a custodian under any other applicable law.

In accordance with the power of attorney on file in this office, the original of this letter is being sent to your authorized representative and a copy is being sent to you.

Sincerely,


John Swieca
Chief, Employee Plans
Technical Branch 1

Why A Company Should Establish A Payroll Deduction Plan For IRA/Voluntary Accounts

1. An IRA program is probably the easiest, least costly and most convenient way for Business Owners to help their employees set up a tax-deductible retirement program. **NO COMPANY CONTRIBUTION IS REQUIRED.**
2. **Simplicity:** No “plan qualification” needed. The Company may contribute for selected participants if they choose through salary increases. No complicated filing or annual reports.
3. **Tax-Deductible Contributions:** The participants may make tax deductible contributions to their Traditional IRA according to the IRA Phaseout Schedule required under the Tax Reform Act of 1986. This does not apply to voluntary accounts or Roth IRAs.
4. **Tax-Deferred Growth:** Participants pay no current federal income tax on IRA earnings including all reinvested dividends and capital gains. Taxes on IRA earnings are deferred until distribution. This does not apply to voluntary accounts. Earnings on Roth IRAs are not taxable if the distributions are qualified distributions.
5. **Flexibility:** With the flexible “exchange privilege,” offered by Primerica Shareholder Services, participants may move from one fund to another in the share class and same fund family as their investment objectives change. Applicable excess sales charge, if any, may be charged. The Fund may terminate, or amend the terms of the exchange privilege, and shareholders generally would be given 60 days’ advance notice of any termination or material amendment.
6. **Freedom of Choice:** Each participant decides the amount of his/her contribution up to the maximum limits (IRA Accounts). Each participant may reduce, stop or increase their contribution rate at any time. Investment objectives are controlled by the individual.
7. **Immediate Vesting:** The participant’s account is 100% non-forfeitable.
8. **ROA:** Accounts can be linked for Cumulative Purchases under rights of accumulation so the participants may receive the lowest possible front-end sales charge.
9. **Pay Yourself First:** With a Payroll Deduction Plan, participants “**Pay Themselves First.**” This means putting themselves and their families ahead of any other demands on their money.

Instructions

A. How to Start the Program:

1. **Company Agreement:** The business should complete and sign the Company Agreement. The original should be retained by the employer and a copy given to each participant.
2. **Participant Announcement Letter:** A letter from the President, or their designee, should be sent to all participants to announce the program. The letter should indicate a time and place for an individual/group meeting of participants.
3. **Individual/Group Meeting:** The Registered Representative should explain the mutual fund family and how they work. The Registered Representative should explain the advantages of the tax deductibility of contributions and deferability of earnings in a Traditional IRA. They should also discuss the concept of "family of funds," the exchange privilege, the penalty for premature distribution before age 59½, required payments at age 70½ on Traditional IRAs as well as the rules and benefits of Roth IRAs, and answer questions as they arise.
NOTE: A prospectus must be given to every person solicited.
4. **Participant Enrollment:** At the close of the individual/group meeting, the Representative(s) should ask each participant to fill out and sign the **Payroll Deduction Authorization Agreement**, and the **Retirement Plan Account Application, Non-Qualified Account Application or Minor Account Application**. For each type of account, IRA, Voluntary or Minor, a separate Account Application is required.

B. How the Program Operates:

1. **Remittance Advice:** A single check should be made payable to and sent to **Primerica Shareholder Services, P.O. Box 9662, Providence, RI 02940, attention List Bill department, with the Payroll Deduction Remittance Transmittal form and the completed and signed Retirement Plan Account Application, Non-Qualified Account Application or Minor Application**. For future remittances, a Remitter will be sent by Primerica Shareholder Services to the company with the names, account numbers and amounts shown. Cancellations or changed amounts can be handled right on the Remitter for the period effected. When adding new participants, contact your PFS Investments Inc. Registered Representative and attach a signed Retirement Plan Account Application, Non-Qualified Account Application or Minor Application to a **separate** Payroll Deduction List Bill (Remittance Transmittal).
2. **Reports to Participant:** Primerica Shareholder Services will send a confirmation to each participant at the time of each purchase. Information regarding IRA accounts will be provided as required by the Internal Revenue Service.
3. PFS Investments Inc. will provide forms, prospectuses and applications through the normal PFS Investments distribution system.
4. **The minimum contribution that can be accepted is \$50 per participant per fund.**

Custodian Fee, Fund Events and Plan Disclosures:

There is an annual Custodian fee of up to \$50 that the Custodian will charge to each active participant account. The fee is deducted annually in December, unless it is pre-paid. If a full liquidation is requested during the year, the Custodian fee is deducted from the redemption proceeds. Additionally, a termination fee of \$30 will be imposed on certain redemptions, full liquidations, and all transfers of assets to other Custodians.

If a mutual fund owned in a participant account becomes unavailable due to any fund changes, mergers, acquisitions, closings or for any other reason, it is the participant's responsibility to select an alternate fund position for the affected assets, and to notify the Custodian of the selection. If the Custodian does not receive notification of an alternate fund selection, then the participant authorizes the Custodian to allocate the affected assets to the money market fund, within the same fund family as the unavailable fund, with the lowest annual expense ratio then available through PFS Investments Inc.

Custodian Reserves the right to make any future fee changes regarding custodian fees and/or termination fees with a 30 day advance written notice to shareholders.

COMPLIANCE WITH REGULATION 1.408-2(e)(2)

In addition to its branch office locations, PFS Investments Inc. has two established physical locations where it is accessible during every business day. The first is the Home Office location: PFS Investments Inc., 1 Primerica Parkway, Duluth, GA 30099; and the second is the Shareholder Service Center: PFS Investments Inc. / Primerica Shareholder Services, 4400 Computer Drive, Westborough, MA 01581.

Sample Participant Announcement Letter

(To be typed on company letterhead)

DATE _____

To: All Participants:

We are pleased to announce a new benefit program. Your company has agreed to install a **Payroll Deduction Plan** to fund an **Individual Retirement Account (IRA)/Non-Qualified Account**. This program is totally voluntary and the Company does not necessarily endorse the investment vehicle offered by the program. **Funds offered by PFS Investments** have been selected as the investment vehicle. A PFSI Registered Representative will be happy to discuss the various options available to you.

You should know that a Traditional IRA or Roth IRA may not be appropriate for all individuals and that the tax incentives to you, the participant, would be the same regardless of whether you choose to participate in this payroll deduction plan or choose to adopt your own IRA independently.

We, the Company, by law cannot sponsor an IRA program. Securities of the company may not be used to fund the IRA program and the funding product cannot invest in a vehicle designed to benefit the Company or any participant organization. The Company will not and cannot exercise any influence over the investments offered by the program.

You may contribute the minimum of \$50 up to the annual IRA contribution limit (\$5,500 for 2018) to your IRA account for any one calendar year. If you are over 50, you may also make an additional catch-up contribution of \$1,000. If your spouse is not working, you may contribute a total of up to \$11,000 (or \$13,000 if both you and your spouse are over 50) or higher if the annual limit is raised provided two (2) accounts are established and no more than the IRA contribution limit for that year goes into any one account. The deductibility of these amounts from your taxable income will depend on whether or not you participate in any other tax-qualified pension plans and on your joint adjusted gross income for each year if you select a Traditional IRA. **There is no contribution limit for a Voluntary (Non-Qualified) Account.** You should consult your tax professional if you have any questions regarding deductibility.

Earnings on your contributions including dividends and capital gains are tax-deferred in a Traditional IRA. Earnings on a Roth IRA may not be taxable if distributions from your Roth IRA are considered "qualified distributions." This means you benefit from the investment of extra dollars that would normally be paid in taxes. Your contributions are non-forfeitable. You own 100% of your account at all times. You may start or stop your investment program at any time.

[At a meeting on _____ to be held at _____.]

A representative of **PFS Investments Inc.**, a Registered Broker/Dealer, will call [will be present] to describe the plan more fully and answer the various questions you may have.

[A current supply of the selected mutual fund(s) prospectuses will be available at this meeting.]

While we believe this program deserves your consideration, we stress that there is no requirement that you enroll.

Sincerely,

(Name of Authorized Official)

Primerica Shareholder Services

Payroll Deduction Plan IRA/Voluntary Accounts Company Agreement

DATE _____

In order to assist individuals in attempting to achieve their investment goals, the Company hereby agrees to provide a payroll deduction option for those individuals desiring to establish an Individual Retirement Account (IRA)/Voluntary (Non-Qualified) Account in which shares of the selected mutual fund(s) may be held.

The Company's obligation under this program will be limited to withholding the amount designated by the participant from their paycheck and promptly transmitting all such deducted amounts to **Primerica Shareholder Services**, for investment in the selected mutual funds for the benefit of the participant. The Company does not "sponsor" this program as a "Company Plan" nor as "Fiduciary" or "Plan Administrator" as defined by the Employee Retirement Income Security Act of 1974 (ERISA).

Each individual desiring to participate in this program must execute a written Payroll Deduction Authorization Agreement stating the terms, frequency and the dollar amount of deductions to be withheld. The participant must also complete a **Retirement Plan Account Application, Non-Qualified Account Application or Minor Application** indicating the amount of contribution, the fund or funds selected and a beneficiary if an IRA is selected. Authorized deductions will be withheld each pay period unless other arrangements are requested by the participant.

The Payroll Deduction Plan may be discontinued by the Company with written notice to the participant and Primerica Shareholder Services. In the event of such discontinuance, individual participants may continue contributing to their account by sending their contributions directly to Primerica Shareholder Services, or by setting up a Pre-Authorized Checking Agreement. For assistance, please contact your PFS Investments Inc. Registered Representative.

Type or Print Name of Company

Employer Signature

Contact Person and Title

Print Name

Address

Title

City, State and Zip

Date

()

Phone number

Payroll Deduction Authorization Agreement

(To be completed for each participant who participates, and retained by the Employer.)

The undersigned participant, in establishing an **Individual Retirement Account/Voluntary (Non-Qualified) Account**, hereby requests that the company named below withhold from his/her compensation the same designated below, which for IRAs, shall not be in excess of the IRA contribution limit for that year (double the contribution limit if the spousal option is elected), which sum shall be transmitted by the Employer to **PFS Investments Inc., Custodian**, for the investment as the participant shall direct. **There is no contribution limit for a Voluntary (Non-Qualified) Account.**

It is agreed that the amount to be withheld from each paycheck shall be computed so as to spread as evenly as possible the total sum to be withheld from the participant's pay over the number of pay periods in the participant's taxable year (i.e., 12, 24, 26 or 52 deductions). The participant may select any amount equal to or less than \$5,500 (for 2018 or \$6,500 if he/she is over 50) for his/her annual contribution if he/she so desires.

There are no contribution limits on Voluntary (Non-Qualified) Accounts and any Municipal Bond Fund may be selected for voluntary accounts only.

This Authorization and Agreement may be terminated by either the participant or the Company upon written notice to the other party prior to the pay period for which such termination is to become effective.

Name of Participant or Spouse

Name of Company

Signature of Participant

Signature of Authorized Official

\$ _____
Sum to Be Withheld Annually

\$ _____
Sum to Be Withheld Each Pay Period

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PLEASE TYPE OR PRINT:

☐ Check if these accounts are an addition to an existing Plan
For the Pay Period ending: _____ Page # _____ of _____

(To be completed and returned with initial payment to: Primerica Shareholder Services)

If participant contributes to more than one fund or more than one type of contribution, use more than one line.

1. Owner's First Name _____ M.I. _____ Owner's Last Name _____
Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

2. Owner's First Name _____ M.I. _____ Owner's Last Name _____
Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

3. Owner's First Name _____ M.I. _____ Owner's Last Name _____
Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

4. Owner's First Name _____ M.I. _____ Owner's Last Name _____
Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

5. Owner's First Name _____ M.I. _____ Owner's Last Name _____
Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

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Page _____ of _____

6. Owner's First Name _____ M.I. _____ Owner's Last Name _____
 Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
 Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

7. Owner's First Name _____ M.I. _____ Owner's Last Name _____
 Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
 Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

8. Owner's First Name _____ M.I. _____ Owner's Last Name _____
 Fund Symbol: Dollar Amount: \$ _____ OR _____ % / Fund*
 Participant Social Security No: _____ ☐ Employee Contribution ☐ Employer Contribution

Total Contribution for This Period: \$ _____

Name of Company: _____ Contact Person: _____

Address: _____

City: _____ State: _____ Zip Code: _____ Phone Number: _____

*When establishing each account, please contact your PFSI Representative.

*MUST equal 100%; must be stated in full percentage points (33%, not 33.33%)

	Please send to:	
	Regular Mail	Overnight Mail
Once completed, mail this form(s) together with a check made payable to: Primerica Shareholder Services ATTN: Listbill Department.	Primerica Shareholder Services P.O. Box 9662 Providence, RI 02940-9662	Primerica Shareholder Services 4400 Computer Drive Westborough, MA 01581
	ATTN: Listbill Department	ATTN: Listbill Department
	Client Services: (800) 544-5445	
	Fax Services: (508) 599-7729	

Paperwork Checklist

For Each Participant:

- ☐ 1. Fill out Retirement Plan Application, Non-Qualified Account Application or Minor Application **completely** and **accurately**.
- ☐ 2. Make sure each individual's contribution on the List Bill matches the amount on each participant's application.

For the Company:

- ☐ 1. Be sure the amount on the check matches the total of the List Bills.
- ☐ 2. Complete the Company Agreement and give a copy to each participant.
- ☐ 3. Keep a file for the Payroll Deduction Authorization Agreement of the participants - their investment instructions may change from time to time.

General Information:

- ☐ 1. If one application is filled out incorrectly, **all applications will be returned to the Representative**. Because one check is submitted to cover all accounts, all applications must be processed together.
- ☐ 2. When adding new participants, the Representative must obtain a separate check and subsequent List Bill from the company for the new participants.
- ☐ 3. The Representative should explain to the person designated by the company to fill out the List Bill the importance of doing so accurately and completely. The amounts allocated on the List Bills must match the participant's actual contribution.
- ☐ 4. All subsequent maintenance (i.e., address changes) should be handled directly between the participant and Primerica Shareholder Services using an address change form.
- ☐ 5. When a participant changes the fund for their contribution, they must instruct the company to change the fund name on the next List Bill via a new Payroll Deduction Authorization Agreement.
- ☐ 6. **Remember, the minimum contribution is \$50 per participant.**

ROLLOVER CHART

PRIMERICA®	Roll To							
	Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	Governmental 457(b)	Qualified Plan ¹ (pre-tax)	403(b) (pre-tax)	Designated Roth Account (401(k), 403(b) or 457(b))
Roth IRA	YES ²	NO	NO	NO	NO	NO	NO	NO
Traditional IRA	YES ³	YES ²	YES ²	YES ²	YES ⁴	YES	YES	NO
SIMPLE IRA	YES, ³ after two years	YES, ² after two years	YES ²	YES, ² after two years	YES, ⁴ after two years	YES, after two years	YES, after two years	NO
SEP-IRA	YES ³	YES ²	YES ²	YES ²	YES ⁴	YES	YES	NO
Governmental 457(b)	YES ³	YES	YES ⁷	YES	YES	YES	YES	YES ^{3,5}
Qualified Plan ¹ (pre-tax)	YES ³	YES	YES ⁷	YES	YES ⁴	YES	YES	YES ^{3,5}
403(b) (pre-tax)	YES ³	YES	YES ⁷	YES	YES ⁴	YES	YES	YES ^{3,5}
Designated Roth Account, (401(k), 403(b) or 457(b))	YES	NO	NO	NO	NO	NO	NO	YES ⁶

¹ Qualified plans include, for example, profit-sharing, 401(k), money purchase and defined benefit plans

² Only one rollover in any 12-month period

³ Must include in income

⁴ Must have separate accounts

⁵ Must be an in-plan rollover

⁶ Any amounts distributed must be rolled over via direct (trustee-to-trustee) transfer to be excludable from income

⁷ After December 18th 2015 and only after two years of participation in the SIMPLE plan

For more information regarding retirement plans and rollovers, please visit the IRS at www.irs.gov/ep

Traditional and Roth IRA Contribution Limit Table

Tax Year	Normal Limit	Additional Catch-Up (Age 50 and older)	Total Contribution if Over 50
2009	\$5,000	\$1,000	\$6,000
2010	\$5,000	\$1,000	\$6,000
2011	\$5,000	\$1,000	\$6,000
2012	\$5,000	\$1,000	\$6,000
2013	\$5,500	\$1,000	\$6,500
2014	\$5,500	\$1,000	\$6,500
2015	\$5,500	\$1,000	\$6,500
2016	\$5,500	\$1,000	\$6,500
2017	\$5,500	\$1,000	\$6,500
2018	\$5,500	\$1,000	\$6,500

Coverdell Education Savings Account Contribution Limits

Tax Year	Contribution Limit
2002 and beyond	\$2,000

Securities offered through PFS Investments Inc.

1 Primerica Parkway, Duluth, Georgia 30099-0001 1-800-544-5445

The mutual funds are offered by PFS Investments Inc. Representatives. This material is authorized for distribution only when preceded or accompanied by a copy of the official prospectus which includes information about the sales commissions, objectives, policies and other facts about the Funds. If you have any questions, please contact one of our Client Services Representatives at 1-800-544-5445. If you would like to speak with a Spanish-speaking Representative, dial 1-800-544-7278. For our hearing impaired clients, please call the TDD line at 1-800-824-1721.

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