

RETIREMENT ACCOUNT OPTIONS			NON-RETIREMENT ACCOUNT OPTION
Roth IRAs	Traditional IRAs	SEP IRAs	Regular Investment Account
<b>Who is the account intended for?</b>			
Individual Investors		Self-Employed individuals and Small Business Owners	Individual or Joint Investors; Personal Trusts
<b>Who is eligible?</b>			
Anyone with earned income, so long as your adjusted gross income in 2017 is below \$118,000 for single filers and \$186,000 for joint filers.	Anyone with earned income, so long as you are under age 70 1/2. Income limits only apply when determining whether a contribution can be tax-deductible.	Anyone over 18 years old who wishes to open an account. No income limits apply.	
<i>Reminder: Shares of Ariel's mutual funds are offered for sale in the United States and its territories only. To invest in the Funds, you must be a U.S. citizen or resident alien, and you must reside in the United States and its territories or have a U.S. military address.</i>			
<b>How much can you contribute per year?</b>			
In 2017, individuals can contribute up to \$5,500 or 100% of earned income, whichever is less. If you are age 50 or older, you can contribute an additional \$1,000 in catch-up contributions. Contributions to a Traditional IRA are not permitted beginning the year in which you turn age 70 1/2.	In 2017, employers can contribute the lesser of \$54,000 or 25% of an employee's income. Individual employees may contribute up to \$5,500 or 100% of earned income, whichever is less. If age 50 or older, employees can contribute an additional \$1,000 in catch-up contributions.	There are no maximum contribution limits regardless of your income.	
<b>Can I contribute on behalf of my non-working spouse?</b>			
Yes, so long as you file a joint tax return and combined contributions do not exceed \$11,000 in 2017 (or \$13,000 if you are both age 50 or older). General Traditional and Roth IRA eligibility requirements still apply.			Yes. You have the option of establishing a joint account.
<b>What are the tax benefits?*</b>			
Earnings grow tax-free and qualified withdrawals are tax-free as well.	Contributions may be tax-deductible and earnings grow tax-deferred, meaning you pay taxes on your investment only when you make withdrawals in retirement.	All earnings are subject to taxes. There is no tax deduction or tax-deferred growth.	
<b>When can you make withdrawals without penalty?</b>			
Qualified withdrawals (also known as distributions) can be made if the assets have been held in the account for at least five years and you are age 59 1/2 or older. However, contributions (but not earnings) can be withdrawn at anytime, tax- and penalty-free.	Qualified withdrawals can be made if you are age 59 1/2 or older. For non-qualified withdrawals before age 59 1/2, earnings are subject to a 10% penalty as well as federal taxes.	Withdrawals can be made at anytime without penalty. Earnings are subject to taxes.	
<b>Are there any exceptions to the withdrawal rules?</b>			
Early withdrawals can be made penalty-free under some circumstances, such as for qualified education expenses; a first-time home purchase; disability; certain medical expenses; and certain long-term unemployment situations. However, you may need to pay taxes on these withdrawals.			Withdrawals can be made at anytime without penalty.
<b>Do you have to start taking withdrawals by a certain age?</b>			
No.	Yes, you must start withdrawals when you turn age 70 1/2.	No.	
<b>Can I move assets from another account to Ariel?</b>			
Yes, you can transfer Roth IRAs from other fund companies or convert a pre-existing Traditional IRA into a Roth IRA if you meet eligibility requirements.	Yes, you can transfer Traditional IRAs from other fund companies; you can also rollover multiple retirement plans from former employers and consolidate them into one account (including 401(k), 457 or 403(b) plans).	Yes, you can transfer SEP IRAs from other fund companies.	Yes, however transferring funds into this account may generate taxes. Please call us at 800-292-7435 for more details.
<b>Related Forms and Applications</b>			
<ul style="list-style-type: none"> <li>&gt; <a href="#">Retirement Account Application</a></li> <li>&gt; <a href="#">IRA Transfer Form</a></li> <li>&gt; <a href="#">Universal IRA Disclosure Statement and Custodial Agreement</a></li> </ul>			<ul style="list-style-type: none"> <li>&gt; <a href="#">Investment Account Application</a></li> </ul>

\* Please consult a licensed tax professional for details regarding how your taxes may be impacted.



**Intended Use**

Account is intended specifically to be used for qualified education expenses including tuition, fees, books, and certain room and board costs at eligible educational institutions.

Account can be used for any general purpose as long as it benefits the minor. Account does not have to be used exclusively for education expenses.

**Age Limits**

Contributions must be made before the beneficiary reaches 18 years old, unless the beneficiary is a special needs beneficiary. See the [Education Savings Account Disclosure Statement and Custodial Account Agreement](#) for more information. Funds from the account must be used by the time the beneficiary reaches age 30.

Account can be established for minors under the age of majority (18 or 21 depending on which state the account is opened). Adult custodianship ends once the minor reaches age of majority.

**Income Limits**

Ability to contribute phases out for married couples (joint filers) with incomes between \$190,000 - \$220,000; and for individuals with incomes between \$95,000 - \$110,000.

None.

**Contribution Limits**

Total contributions from all sources cannot exceed \$2,000 per year, per beneficiary.

No maximum limit.

**Tax Considerations\***

Earnings grow tax-free and qualified withdrawals are tax-free as well.

If funds are used for nonqualified expenses, earnings are subject to a 10% penalty as well as federal taxes.

Federal Gift Tax may apply for donors contributing more than \$14,000 to the beneficiary within the year (including gifts to the beneficiary outside the Coverdell Education Savings Account).

Minor is responsible for taxes. Earnings on the first \$1,000 are tax free; earnings between \$1,000 - \$2,000 are taxed at the minor's tax rate; earnings above \$2,000 are taxed at the parents' tax rate.

Funds can be used for any general purpose as long as it benefits the minor.

Federal Gift Tax may apply for donors contributing more than \$14,000 to the minor within the year (including gifts to the beneficiary outside the UGMA/UTMA).

**Ability to Change Beneficiaries**

Yes. The beneficiary can be changed to another member of the beneficiary's family.

No. Contributions are considered an irrevocable gift.

**Related Forms and Applications**

> [Education Savings Account Application](#)

> [Education Savings Account Transfer Form](#)

> [Education Savings Account Disclosure Statement and Custodial Account Agreement](#)

> [Investment Account Application](#)

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