

# Account Disclosures for Your IRA/Keogh/Coverdell Education Savings Account Certificate of Deposit



**Please read and keep this notice with your important account records.**

**Opening Balance Requirements.** The minimum balance required to open a retirement plan Certificate of Deposit ("CD") is \$250. No additional deposits to that CD are permitted during the term for fixed rate certificates of deposit. 18-Month Variable Rate CDs permit additional deposits at any time, as long as they follow the guidelines for contributions to your retirement plan. Additional deposits do not affect the maturity date of the variable rate CD.

**Rate Information.** The interest rate and annual percentage yield (APY) for all new and renewing fixed rate CDs are for the term of the CD. For a new CD, the interest rate and APY are based on the balance you deposit into the CD as disclosed on the applicable rate sheet delivered when your CD is opened. For a renewing CD, the interest rate and APY will be based on the balance in the CD and subject to the rates in effect based on the governing state, product type, and account balance on the date your CD renews.

**CD Balance Ranges for Rate Calculations are as follows:** \$0-\$9,999.99; \$10,000-\$24,999.99; \$25,000-\$49,999.99; \$50,000-\$99,999.99; \$100,000-\$499,999.99; \$500,000-\$999,999.99; \$1,000,000 and above. The same rate may be assigned to more than one balance range. For variable rate CDs, the interest rate changes on the first day of each month, when it is set at one-half percent above the average discount rate of 3-month U.S. Treasury Bills at the most recent auction. The renewal term begins on the date of CD maturity. If you change the Certificate Term during the grace period, pricing for the renewal term will be determined based on the governing state, product, and pricing tier in effect on the date of the change. Refer to the Grace Period section for the details on transactions that close your grace period.

**Interest Calculation.** Citibank uses the daily balance method to calculate the interest on CDs. This method applies a daily periodic rate to the balance in the account at the end of each day. The principal in the account is increased or reduced based upon the effective date of the transaction. Interest is compounded daily from the day we accept your application or receive your funds, whichever is later, and is credited monthly on the last business day of the month and at maturity. Interest is computed on a 365 day basis (including the 18 Month Fixed Rate & 30 Month CDs) for the actual number of days your money is on deposit. Interest may be computed using a 366 day basis for Leap Year. Interest is paid up to but not including the Maturity Date. If you open your CD, or if your CD renews, during the last week of any month, interest from the date opened/renewed to the end of the month may be included in the interest payment for the first full month after the CD is opened or renewed.

**Certificate of Terms.** CD terms of 3, 4, 5, 6, 7, 8, 9, 10, 13, 18 (Fixed Rate), 18 month Variable Rate and 30 months, as well as 1, 2, 3, 4, and 5 years are offered in all markets.

**When Interest begins to accrue.** Interest begins to accrue from the day we accept your application or receive your funds, whichever is later, or on the day your CD renews.

**Early Withdrawal Penalties.** When you open a CD, you agree to keep the principal on deposit in the CD for the term you have selected. Citibank will impose a substantial penalty if you withdraw any principal from the CD before the maturity date unless an exception applies. See your plan document for details. It may be necessary to deduct all or a portion of the penalty from the principal amount of the CD. Early withdrawal penalties are calculated on the amount of the principal withdrawn. A 90 day simple interest penalty will apply for terms of one year or less, and a 180 day simple interest penalty will apply for terms greater than one year. Early withdrawal penalties are not applied when the owner is 59½ or older and the funds are taken as an IRS reportable distribution via cash, check or transfer to a non-retirement account. You may withdraw interest from your CD at any time during the term after it has been credited without any early withdrawal penalty. The early withdrawal penalty will apply if the transfer is to a retirement account at another financial institution.

**Grace Period.** There is a Grace Period of up to 7 calendar days after the Maturity Date. If the last day of the Grace Period is a non-business day (a weekend or bank holiday), then the Grace Period ends on the last business day before that non-business day. During the Grace Period you can change your term, additional funds can be deposited and funds can be withdrawn without paying an early withdrawal penalty. However, if you change your term, make a deposit or withdrawal: (1) the Grace Period will end that day, your Opening Date will reset and a new Maturity Date will apply, after which you will no longer be able to make any changes until the next Maturity Date without incurring a penalty and (2) we will pay interest from the Maturity Date until the day before your new Opening Date (but not more than 7 calendar days) at the interest rate then in effect on the Maturity Date.

**Interest Withdrawal.** The annual percentage yield on your CD assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Additional Information.** Please refer to the IRA Plan Documents, Coverdell Education Savings Account or Keogh Guide to Investment Choices for additional information about your retirement plan CD.

**Important Change Regarding Pennsylvania and Delaware.** If your retirement CD account was opened in Pennsylvania or Delaware, effective on the first day of your new CD term on or after January 18, 2015, your CD will be governed by Federal Law and to the extent not preempted by Federal Law or otherwise inapplicable, by the laws of the state of South Dakota. Your Retirement Plan containing your CD account will continue to be governed by Federal Law and to the extent not preempted by Federal Law or otherwise inapplicable, by the laws of the state of New York, without giving effect to the principals of conflicts of law.

**Important Change Regarding Massachusetts.** If your CD account was opened in Massachusetts, effective on the first day of your new CD term on or after January 8, 2016, the laws of the state of South Dakota will govern your insured deposit accounts unless a specific agreement or statute requires otherwise, and to the extent not preempted by Federal law. Your account will continue to be governed by Federal laws and regulations.