T. Rowe Price Privacy Policy

In the course of doing business with T. Rowe Price, you share personal and financial information with us. We treat this information as confidential.

You may provide information when communicating or transacting with us in writing, electronically, or by phone. For instance, information may come from applications, requests for forms or literature, and your transactions and account positions with us. On occasion, such information may come from consumer reporting agencies and those providing services to us.

We do not sell information about current or former customers to any third parties, and we do not disclose it to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law. We may share information within the T. Rowe Price family of companies in the course of providing or offering products and services to best meet your investing needs. We may also share that information with companies that perform administrative or marketing services for T. Rowe Price, with a research firm we have hired, or with a business partner, such as a bank or insurance company, with whom we are developing or offering investment products. When we enter into such a relationship, our contracts restrict the companies’ use of our customer information, prohibiting them from sharing or using it for any purposes other than those for which they were hired.

We maintain physical, electronic, and procedural safeguards to protect your personal information. Within T. Rowe Price, access to such information is limited to those who need it to perform their jobs, such as servicing your accounts, resolving problems, or informing you of new products or services. Finally, our Code of Ethics, which applies to all employees, restricts the use of customer information and requires that it be held in strict confidence.

This Privacy Policy applies to the following T. Rowe Price family of companies: T. Rowe Price Associates, Inc.; T. Rowe Price Advisory Services, Inc.; T. Rowe Price Investment Services, Inc.; T. Rowe Price Savings Bank; T. Rowe Price Trust Company; and the T. Rowe Price Funds.
Important Change to the T. Rowe Price Traditional and Roth IRA Summary & Agreement and the T. Rowe Price SIMPLE IRA Summary & Agreement

Please review the change listed below, which is effective January 1, 2015. If you have any questions, please call us at 1-800-537-6172.

T. Rowe Price Traditional and Roth IRA Summary & Agreement
Supplement dated December 2014

The following information updates the T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement (IRA Summary & Agreement) dated September 2004, as amended January 2007 and August 1, 2011. The section titled “Limits on Rollovers” is deleted and replaced with the following, effective January 1, 2015.

T. Rowe Price SIMPLE IRA Summary & Agreement
Supplement dated December 2014

The following information updates the T. Rowe Price SIMPLE IRA Disclosure Statement and Custodial Agreement (SIMPLE IRA Summary & Agreement) dated December 2, 2002 or June 2006, as amended January 2007 and August 1, 2011. The section titled “Limits on Rollovers” is deleted and replaced with the following, effective January 1, 2015.

Limits on Rollovers

If you receive a distribution other than cash, that same property must be rolled over to the new IRA. There is no limit on the dollar amount you may roll over from one IRA to another IRA. However, you may make only one rollover between IRAs during any 12-month period (measured from the date you receive the distribution from the first IRA).

Effective January 1, 2015, the one-rollover-per-year limit will apply to all IRAs on an aggregate basis. An IRA distribution received on or after January 1, 2015 is not eligible for rollover into another IRA if the individual previously rolled over a distribution from any IRA (including Traditional, Roth, SEP and SIMPLE IRAs) in the preceding 1-year period. However, under a transition rule, a distribution from an IRA made in 2014 and properly rolled over to another IRA will not be counted for purposes of determining whether a 2015 distribution can be rolled over, provided that the 2015 IRA distribution is from an IRA that neither made nor received the 2014 distribution.

Note that the one-rollover-per-year limitation applies only to IRA rollovers, which are distributions from IRAs that are rolled over into another IRA within 60 days. The limit does not apply to Roth conversions, rollovers between qualified plans and IRAs, and trustee-to-trustee transfers -- direct transfers of assets from one IRA trustee (or custodian) to another.

If you violate this rule, all later rollovers from the IRA in the 12-month period will be treated as if they were distributed to you, and you will be taxed on the taxable amount of each such distribution. You also may be subject to the early distribution penalty and the excess contribution tax on ineligible rollovers. Because the tax consequences of violating the one-rollover-per-year rule can be so severe, you may want to consider moving your IRA assets by transfer. (See Section titled “Transfers.”)
Important Changes to the T. Rowe Price Traditional and Roth IRA Summary & Agreement

Effective August 1, 2011, please review the changes to policy as listed in the supplement below. If you have any questions, please call us at 1-800-250-9446.

T. Rowe Price Traditional and Roth IRA Summary & Agreement

Supplement dated July 1, 2011

The following information updates the T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement (IRA Summary & Agreement), dated September 2004 and amended January 2007. You should review this information carefully and keep it with your current copy of the IRA Summary & Agreement. These updates are effective August 1, 2011.

The information under “Fees” in the Disclosure Statement is replaced with the following:

FEES

An annual account service fee of $20 will be charged for each T. Rowe Price mutual fund account with a balance below $10,000. The annual account service fee will be automatically deducted from the account’s assets. Waivers for this fee may apply, as described in the T. Rowe Price Funds prospectus.
If you close your T. Rowe Price Traditional or Roth (including Inherited and Roth Inherited) IRA during the year, a $20 closeout fee will be deducted automatically from the proceeds of the redemption from each mutual fund account unless, at the time of redemption, you previously paid the account service fee for that year. This closeout fee applies regardless of the size of your mutual fund investments.

If a T. Rowe Price SEP-IRA participant account is closed during the year, a $20 closeout fee will be deducted automatically from the proceeds of the total plan distribution. However, the closeout fee is waived when an account service fee was previously assessed to the participant for that year or when the proceeds are being used for a rollover, transfer or conversion to a T. Rowe Price retirement plan account or T. Rowe Price IRA account. This fee applies regardless of the value of the fund investments.

These thresholds and fee amounts are subject to change.

Information on fees and commissions associated with a Brokerage IRA can be found in the materials provided with your T. Rowe Price Brokerage IRA kit. For information on early withdrawal penalties and fees associated with a certificate of deposit in your Savings Bank IRA, please see the T. Rowe Price Savings Bank Disclosure and Agreement for Certificate of Deposit Accounts.

Section 6.3 “Custodian Fees and Expenses” in the Custodial Agreement is replaced with the following:

6.3 Custodian Fees and Expenses.
The Custodian shall be entitled to such fees for maintaining and administering the Account as it may establish from time to time and which may be changed by it at any time upon 30 days’ written notice to the Investor. All such fees, and all other expenses incurred in maintaining the Account (including, but not limited to taxes, brokerage commissions, and transfer taxes) shall be charged to the Account, and Fund shares will be liquidated to pay such fees.
As a result of new tax laws, we have made changes to the T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement ("IRA Summary & Agreement"), dated September 2004. This update is effective January 1, 2007. You should review this information carefully and keep it with your current copy of the IRA Summary & Agreement.

EGTRRA Provisions Made Permanent
Many changes to IRAs were made by the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"). These specific provisions were scheduled to expire after 2010 unless extended or made permanent by Congress. The Pension Protection Act of 2006 made permanent all IRA provisions that were created or modified by EGTRRA.

Additional IRA Types
(Refer to sections on Types of Individual Retirement Accounts and Naming Beneficiaries)

There are now eight types of IRAs that an individual can establish at T. Rowe Price. As indicated in the current IRA Summary & Agreement, you can establish a Traditional IRA, Traditional Rollover IRA, Roth IRA, SEP-IRA, and SIMPLE IRA.

You may now also establish a Roth Rollover IRA, Inherited IRA, or Roth Inherited IRA. You can name beneficiaries for each of these new IRA types that are different from the beneficiaries you name for other IRA types at T. Rowe Price, if you wish. The new IRA types are as follows:

Roth Rollover IRA
A Roth IRA that is expected to receive one or more eligible rollovers from a Roth account in a 401(k) or 403(b) retirement plan. However, annual contributions or transfers may also be accepted.

Inherited IRA
An IRA designed for the beneficiary of an IRA (except a Roth IRA) or the beneficiary of an employer-sponsored retirement plan (except a Roth 401(k) or Roth 403(b) account). Transfers and rollovers may be accepted, but annual contributions are not permitted. A non-spouse beneficiary may not roll over an Inherited IRA into his or her own IRA.

Roth Inherited IRA
An IRA designed for the beneficiary of a Roth IRA or the beneficiary of a Roth 401(k) or Roth 403(b) account in an employer-sponsored retirement plan. Transfers and rollovers may be accepted, but annual contributions are not permitted. A non-spouse beneficiary may not roll over a Roth Inherited IRA into his or her own Roth IRA.

IRA Annual Contribution Limits
(Refer to section on Annual Contributions/Deductions)

The chart entitled IRA (Traditional and Roth Combined) Annual Contribution Limits provides annual contribution limits and catch-up contribution amounts for Traditional and Roth IRAs. These limits are still correct and thus remain unchanged. However, the note below the chart which indicates the increases may only be valid through 2010 has been deleted.

In addition, certain individuals affected by an employer’s bankruptcy are permitted to make additional catch-up contributions to their IRA of up to $3,000 per year. These additional catch-up IRA contributions are available for tax years 2007, 2008, and 2009. You should check with your tax adviser to determine if this provision applies to your situation.
Traditional IRAs – Deduction Phase-Out Limits for Active Participants
(Refer to section on Annual Contributions/Deductions)
For active participants (in employer-sponsored retirement plans) and their spouses, the eligibility to deduct a Traditional IRA contribution is phased out above certain modified adjusted gross income (“MAGI”) limits. The chart entitled Traditional IRA Deduction Phase-Out Ranges for Active Participants provides these deductibility limits and phase-out ranges. The MAGI limits will now be adjusted for inflation starting with the 2007 tax year. Any inflation adjustments will be rounded to the nearest $1,000 increment.

Roth IRA Contribution Limits
(Refer to section on Annual Contributions/Deductions)
Eligibility to contribute to a Roth IRA is phased out above certain Roth MAGI limits. The chart entitled Roth IRA Contribution Limits provides these contribution limits and phase-out ranges. The Roth MAGI limits will now be adjusted for inflation starting with the 2007 tax year. Any inflation adjustments will be rounded to the nearest $1,000 increment.

Eligibility for a Roth Conversion
(Refer to section on Conversions of Traditional IRAs to Roth IRAs)
The chart entitled Roth IRA Conversion Eligibility provides limitations on a taxpayer’s Roth MAGI relating to the ability to convert from a Traditional IRA to a Roth IRA. The income limitations on converting to a Roth IRA will be eliminated after 2009. For the 2010 tax year and beyond, any taxpayer (including married taxpayers filing separately) will be eligible to convert to a Roth IRA regardless of filing status or income level. There is a special provision in the new tax law that will allow taxpayers to pay taxes on amounts converted in 2010 in equal installments in 2011 and 2012. However, income inclusion would be accelerated if any converted amounts are distributed before 2012. Taxpayers who convert their IRAs to a Roth IRA after 2010 must pay the resulting taxes for that tax year.

Non-spouse Beneficiary Rollovers
(Refer to section on Rollovers)
The current IRA Summary & Agreement describes rollovers between certain types of retirement accounts. The following information is added to explain new rules for non-spouse beneficiaries:

Upon the death of a participant in an employer-sponsored retirement plan, a spouse beneficiary is permitted to roll over a distribution from the retirement plan into an IRA. However, prior to 2007, non-spouse beneficiaries have not been permitted to roll over such distributions into an IRA. Effective for distributions after December 31, 2006, non-spouse beneficiaries may make a direct transfer to an Inherited IRA from a qualified employer-sponsored retirement plan, a governmental section 457(b) plan, or a 403(b) plan. The Inherited IRA will be subject to the same required minimum distribution rules that would apply to the non-spouse beneficiary of an IRA. A non-spouse beneficiary may not later roll over an Inherited IRA to his or her own IRA or to another employer-sponsored retirement plan.

Rollovers From an Employer-Sponsored Retirement Plan to a Roth IRA
(Refer to section on Rollovers)
The following clarifies the information relating to Qualified Employer-Sponsored Retirement Plan to Roth IRA in the current IRA Summary & Agreement:

Beginning in 2006, employers had the option of allowing participants in 401(k) and 403(b) retirement plans to make designated Roth contributions. When you leave an employer and are eligible for a distribution from its 401(k) or 403(b) plan, you may be able to roll over the Roth account in the plan to a Roth IRA (or a Roth Rollover IRA). If you roll over a Roth account from a 401(k) or 403(b) plan into a Roth IRA, you become responsible for keeping track of the basis in the Roth account and determining if the five-year requirement for taking a qualified distribution has been satisfied. Although your 401(k) or 403(b) plan administrator maintained the basis for your Roth account while you participated in the plan, T. Rowe Price will not track or calculate the basis once the assets have been rolled over to a Roth IRA.
Currently, distributions of employer-sponsored retirement plan assets that were not held in a Roth account can be rolled over only to another qualified employer-sponsored retirement plan or a Traditional IRA (or Traditional Rollover IRA). A participant who wishes to move from an employer-sponsored retirement plan account to a Roth IRA is required to first roll over to a Traditional IRA (or Traditional Rollover IRA) and then convert those assets to a Roth IRA. However, effective for distributions after 2007, participants may roll over directly from an employer-sponsored retirement plan account to a Roth IRA. Such rollovers are subject to the rules for conversions from Traditional IRAs to Roth IRAs. The taxpayer must include the taxable portion of the distribution in income, but the conversion is not subject to the 10% early distribution penalty. For tax years 2008 and 2009, only taxpayers with Roth MAGI of less than $100,000 are eligible to roll over directly from an employer-sponsored retirement plan to a Roth IRA.

**Rollovers From a Roth IRA to an Employer-Sponsored Retirement Plan**  
*(Refer to section on Rollovers)*

The following replaces the information relating to Roth IRA to Qualified Employer-Sponsored Retirement Plan in the current IRA Summary & Agreement:

Distributions from Roth IRAs are not eligible for rollover to an employer-sponsored retirement plan. You can roll over a Roth 401(k) or Roth 403(b) account into a Roth IRA. However, once those assets are rolled over to a Roth IRA, you cannot roll them over back into a 401(k) or 403(b) plan, or any other employer-sponsored retirement plan.

**Tax-Free IRA Distributions to Qualified Charities**  
*(Refer to section on Distributions/Taxation)*

The current IRA Summary & Agreement describes the taxation of IRA distributions. The following information is added to explain new rules for distributions made payable directly to a qualified charity:

IRA owners who have attained age 70 1/2 may exclude IRA distributions from income if the distribution is made directly to a qualified charitable organization and it would otherwise be tax deductible (without regard to otherwise applicable income limits). This special rule applies to distributions from Traditional IRAs and Roth IRAs, but not from SEP-IRAs or SIMPLE IRAs. This provision is only in effect for distributions during 2006 and 2007 and the income tax exemption is limited to $100,000 per year.

Although a qualified charitable distribution will be excluded from a taxpayer's income, it can still count toward satisfying required minimum distributions. Additionally, the normal pro-rata distribution rules do not apply to a qualified charitable distribution. Instead, a special rule applies so that amounts attributable to deductible contributions, which would otherwise be included in income, are deemed to be distributed first. Any amount excluded from income under this provision cannot also be claimed as a charitable deduction. Certain charitable organizations are not eligible, including donor-advised funds and certain private foundations. The taxpayer is responsible for substantiating any qualified charitable distribution to the IRS.

**Penalty-Free Distributions for Certain Military Personnel**  
*(Refer to section on Distributions/Taxation)*

The current IRA Summary & Agreement describes exceptions to the 10% early distribution penalty. There is now another exception for certain reservists who are called or ordered to active military duty. A “qualified reservist” (as described in the Internal Revenue Code) who receives a distribution may be exempt from the early distribution penalty and may be able to make nondeductible IRA contributions equal to such distributions without regard to the normal IRA contribution limits. You should check with your tax adviser to determine if this provision applies to your situation.
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T. ROWE PRICE TRUST COMPANY
TRADITIONAL AND ROTH
INDIVIDUAL RETIREMENT ACCOUNT
DISCLOSURE STATEMENT

This Disclosure Statement is provided to each person who establishes a traditional individual retirement account (“Traditional IRA”) or a Roth individual retirement account (“Roth IRA”) with T. Rowe Price Trust Company (“T. Rowe Price”) under the T. Rowe Price Traditional and Roth Individual Retirement Account Custodial Agreement (“Custodial Agreement”). When the rules and policies for a Traditional IRA and a Roth IRA are the same, this Disclosure Statement will refer to both types of accounts collectively as an “Account,” an “IRA,” or a “T. Rowe Price IRA.” T. Rowe Price reserves the right to amend this Disclosure Statement at any time by written communication to a person who establishes an IRA with T. Rowe Price. The most recent version of this Disclosure Statement will effectively supercede any prior versions.

This Disclosure Statement incorporates changes made to IRAs by tax laws and regulations in effect through year-end 2002. The rules and policies described in this Disclosure Statement are effective December 2003, unless specifically noted otherwise. Keep in mind that state income tax treatment and foreign tax treatment of IRAs vary. Therefore, this Disclosure Statement discusses only the federal tax treatment of IRAs. Please read the Disclosure Statement and Custodial Agreement carefully. In the event of any differences between any provision of this Disclosure Statement and the Custodial Agreement, the Custodial Agreement will be the controlling document. Also, please carefully review the disclosure documents or offering documents for any of the investments you select for your T. Rowe Price IRA, such as the prospectus for an individual security, a T. Rowe Price Fund or other mutual fund, the T. Rowe Price Brokerage Welcome Handbook, or the Disclosure and Agreement for a T. Rowe Price Savings Bank Certificate of Deposit.

If you have received this document in connection with your participation in a Simplified Employer Pension (“SEP”) Plan or a salary reduction SEP Plan (“SAR-SEP”), other rules may apply in addition to the rules described in this Disclosure Statement. Be sure to carefully review the plan information provided to you. In addition, you may want to consult your personal tax adviser with any questions you have about IRAs.

GENERAL INFORMATION ABOUT YOUR TRADITIONAL OR ROTH IRA

Definition of Individual Retirement Account
An IRA is a trust or custodial account created in the United States for the exclusive benefit of an individual (or his or her beneficiaries) that meets criteria regarding the amount(s) and form of contributions, the identity of the trustee or custodian, permissible investments, required distributions, and certain other matters. Generally, you may defer federal income taxes on any investment earnings in your IRA and you may be able to defer federal income taxes on the amount you invest (as a tax deduction).

Account Nonforfeitability
The Traditional IRA or Roth IRA you establish with T. Rowe Price is created for the exclusive benefit of you and your Account’s beneficiaries. Your interest in the IRA(s) shall at all times be nonforfeitable, but shall be subject to the applicable fees, expenses, and charges described herein. (See Section titled “Fees.”)

Custodian
By completing the T. Rowe Price application process and having T. Rowe Price accept your application, T. Rowe Price accepts the custodianship of your Traditional IRA or Roth IRA.
TYPES OF INDIVIDUAL RETIREMENT ACCOUNTS

Your T. Rowe Price IRAs

At T. Rowe Price, an individual may establish up to five types of IRAs (for which he or she is otherwise eligible), as follows:

**Traditional IRA**

- A Traditional IRA that is expected to receive annual contributions. However, eligible rollovers and transfers may also be accepted. A Traditional IRA is an individual retirement account described in section 408(a) of the Internal Revenue Code (“Code”). Contributions you make to a Traditional IRA may be deductible or nondeductible. (See Section titled “Contributions.”) Earnings in the Traditional IRA and deductible contributions are taxed when they are withdrawn from the Traditional IRA. (See Section titled “Distributions.”)

**Traditional Rollover IRA**

- A Traditional IRA that is expected to receive one or more eligible rollovers from qualified employer-sponsored retirement plans. However, annual contributions or transfers may also be accepted.

**Roth IRA**

- A Roth IRA that is expected to receive annual, conversion, or rollover contributions. A Roth IRA is an individual retirement account described in section 408A of the Code. If your income is below a certain level, you may make contributions to a Roth IRA. Contributions you make to a Roth IRA are not deductible. Distributions from a Roth IRA (including distributions of earnings) are not taxable if certain conditions are met. (See Section titled “Distributions.”)

**SEP-IRA**

- A Traditional IRA that is expected to receive SEP or SAR-SEP contributions from an employer. However, eligible annual contributions, rollovers, or transfers may also be accepted.

**SIMPLE IRA**

- A Traditional IRA to which an eligible employer may make a contribution under a “SIMPLE IRA Plan.” A SIMPLE IRA is subject to additional restrictions on rollovers to other Traditional IRAs and conversions to Roth IRAs and may be subject to a higher penalty tax for premature distributions. SIMPLE IRAs are established under and governed by a separate T. Rowe Price IRA custodial agreement.

REVOCATION

You must receive this Disclosure Statement and the Custodial Agreement seven days prior to opening your T. Rowe Price IRA. Your account cannot be accepted or opened until you have had these documents for seven days. You may not revoke your T. Rowe Price IRA after it has been accepted by T. Rowe Price.

ANNUAL CONTRIBUTIONS/DEDUCTIONS

An individual must have received U.S. earned income (“earned income”) in a year in order to contribute to an IRA for that year. Earned income includes wages, salaries, tips, certain alimony and separate maintenance payments, and other similar income you receive for performing personal services. Earned income does not include income from income-producing property such as rent, capital gains, interest, dividends, pension payments, and the like.

**When Annual Contributions Can Be Made**

Annual contributions to a Traditional IRA or a Roth IRA for a year must be made no later than the date required for filing your tax return for that year without any extension (usually April 15). In some cases, certain military personnel may be able to extend the deadline to make annual
contributions to an IRA. Please check with a tax adviser or the Internal Revenue Service (“IRS”) for details. Contributions sent by check will be credited for the previous tax year at your request if the mailing is postmarked by the tax return due date, excluding extensions. Unless you inform T. Rowe Price in writing the year for which a contribution should be made, T. Rowe Price must assume you are making the contribution for the calendar year in which it is received by T. Rowe Price.

**How Your Contributions Can Be Invested**

You may invest your IRA contribution in any investment option made available by T. Rowe Price for IRA holders, including but not limited to any of the following:

- Mutual funds managed by T. Rowe Price Associates, Inc., or an affiliate;
- Individual securities (e.g., stocks or bonds) through T. Rowe Price Investment Services, Inc.;
- Mutual funds sponsored by other fund families but made available through T. Rowe Price Investment Services, Inc.; and/or
- Certificates of Deposit through T. Rowe Price Savings Bank.

If you open a T. Rowe Price IRA through T. Rowe Price Investment Services, Inc. (“Brokerage IRA”), in addition to being bound by the terms and conditions of the T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement, you will also be bound by the terms and conditions of the Brokerage Welcome Handbook. If you open a T. Rowe Price IRA through T. Rowe Price Savings Bank (“Savings Bank IRA”), in addition to being bound by the terms and conditions of the T. Rowe Price Traditional and Roth IRA Disclosure Statement and Custodial Agreement, you will also be bound by the terms and conditions of the T. Rowe Price Savings Bank Disclosure and Agreement for Certificate of Deposit Accounts.

If you open an IRA in a mutual fund that has been recommended to you by T. Rowe Price Investment Services, Inc., you are deemed to have agreed to the following important information: You understand that only a limited number of the mutual funds that are managed by T. Rowe Price Associates, Inc., or an affiliate (the “Funds”) are being considered for recommendation to you and that each Fund pays fees to affiliates of T. Rowe Price. You understand that purchases and redemptions of Fund shares are subject to the terms of the current Fund prospectus, including redemption fees designed to discourage short-term trading. You acknowledge that T. Rowe Price Investment Services, Inc., has provided a prospectus for the Fund recommended to you and that it is your responsibility to carefully read it, as it describes the Fund’s fees and expenses. Although T. Rowe Price Investment Services, Inc., will recommend a Fund it deems to be suitable, such Funds are subject to market risk, as described in each Fund’s prospectus. You understand that, as with any investment in stocks, bonds, or mutual funds, you could lose money. T. Rowe Price Investment Services, Inc., cannot guarantee any rate of return for each recommended Fund. You understand that the Fund recommendation is made at the point in time when T. Rowe Price Investment Services, Inc., collected your information and that the recommendation may not be appropriate if your situation changes. You understand that T. Rowe Price Investment Services, Inc., will not monitor your investments and is not obligated to update the recommendation. Unless you request an updated or subsequent recommendation, the information that T. Rowe Price Investment Services, Inc., collected about you will not be considered by its associates when servicing or performing transactions in your account or discussing your investments with you in the future.

**How Much You Can Contribute**

You are not required to make a contribution to only one type of IRA for a year. If you qualify, you can divide your permissible contributions between a Traditional IRA and a Roth IRA. Except for rollovers, the maximum standard amounts that you may contribute to all of your IRAs (including Traditional IRAs and Roth IRAs, but not including Coverdell Education Savings Accounts (“ESAs,” formerly called education IRAs) or salary reduction contributions to SAR-SEP IRAs or SIMPLE IRAs) are shown on the chart below. You may contribute less than the
maximum annual contribution amount if you so choose. In addition, starting with 2002 contributions, individuals age 50 or older during the year may make additional catch-up contributions for that year. IRA contribution limits and catch-up limits will gradually increase and these limits for future years are also shown on the chart below. If your earned income for a year is less than the prescribed maximum, your contribution for that year is limited to the total amount of your earned income.

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<th>IRA (TRADITIONAL AND ROTH COMBINED) ANNUAL CONTRIBUTION LIMITS</th>
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<td>Maximum Standard Annual Contribution</td>
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*Indexed for inflation in $500 increments.

These limit increases were established by the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA 2001”) and are only valid through 2010, unless Congress takes further action. Unless the provisions are extended, the limits will revert to the maximums for 2001.

If you are (or your spouse is) an “active participant” in an employer-sponsored retirement plan, your eligibility to make deductible contributions to a Traditional IRA depends on your Modified Adjusted Gross Income (“MAGI”) not exceeding certain amounts, depending on your filing status. Your eligibility to make contributions to a Roth IRA and to convert a Traditional IRA to a Roth IRA depends on your Roth MAGI not exceeding certain amounts, depending on your filing status. Roth MAGI is defined differently than MAGI, so your Roth MAGI may differ from your MAGI. The definitions are as follows:

**Adjusted Gross Income ("AGI")**

AGI is the amount of taxable income for a taxpayer once all such income has been added and certain deductions have been subtracted. AGI is generally calculated on the last line of the first page of IRS Form 1040 or Form 1040A.

**Modified Adjusted Gross Income ("MAGI")**

MAGI is used to determine the amount of a contribution you may deduct for contributions you make to a Traditional IRA if you are (or your spouse is) an “active participant.” Instructions on how to calculate modified adjusted gross income can be found in IRS Publication 590, Individual Retirement Arrangements (IRAs). On IRS Form 1040, MAGI is generally AGI without taking into consideration IRA deductions, student loan interest deductions, foreign earned income exclusions, foreign housing exclusions or deductions, exclusions of qualified bond interest shown on IRS Form 8815, and exclusions of employer-paid adoption expenses shown on IRS Form 8839. On IRS Form 1040A, MAGI is generally AGI without taking into consideration IRA deductions, student loan interest deductions, exclusions of
qualified bond interest shown on IRS Form 8815, and exclusions of employer-paid adoption expenses shown on IRS Form 8839.

**Roth Modified Adjusted Gross Income (“Roth MAGI”)**

Roth MAGI is used to determine the maximum amount you may contribute to a Roth IRA and to determine whether you are eligible to convert a Traditional IRA to a Roth IRA. Roth MAGI is equal to MAGI minus income derived from conversions from Traditional IRAs to Roth IRAs.

**Traditional IRAs—Deductible and Nondeductible Contributions**

Annual contributions to a Traditional IRA are generally tax-deductible. However, if you (or your spouse) is an active participant in an employer-sponsored retirement plan, you (or your spouse) will be eligible to make tax-deductible contributions to a Traditional IRA only under limited conditions. If you are not eligible to make deductible contributions to a Traditional IRA, you may make nondeductible contributions to a Traditional IRA.

Subject to the earned income and dollar limits previously discussed, you may make an annual contribution to a Traditional IRA for each tax year before the tax year in which you reach age 70½. However, whether you can deduct all or part of your contribution depends on your and your spouse’s active participation in employer retirement plans and your tax filing status.

**Active Participation Defined**

Your employer’s determination of your active participant status for a year is shown on your IRS Form W-2 for that year. Your employer’s benefits department can also tell you if they believe you are an active participant for a year. In general, an individual is an active participant in a defined contribution plan if he or she has any contributions or forfeitures allocated to his or her plan account for that year. However, if the only allocations under a defined contribution plan are discretionary employer contributions, those contributions will be considered for the year in which they are made rather than the year for which they are allocated. An individual is considered an active participant in a defined benefit plan if he or she has met the plan’s eligibility requirements, even if he or she does not accrue a benefit for the year, unless the plan is one in which no individual accrues a benefit.

**If Neither You Nor Your Spouse Is an Active Participant**

If neither you nor your spouse is an active participant in an employer-sponsored retirement plan for a year, you can deduct your entire contribution(s) to your Traditional IRA(s) for that year regardless of your income.

**If You Are an Active Participant**

If you are an active participant in an employer-sponsored retirement plan, you still may be able to deduct all or part of your contributions to your Traditional IRAs depending on your filing status, your MAGI, and the year for which the contribution is being made. The following chart shows the deduction limits for 2003 and 2004:
If You Are Not, but Your Spouse Is, an Active Participant

You are not treated as an active participant in an employer-sponsored retirement plan merely because your spouse is an active participant. If you are married and you are not an active participant in an employer retirement plan, but your spouse is an active participant, you may deduct all of your contribution to your Traditional IRA if the MAGI of you and your spouse is less than $150,000. If your MAGI is between $150,000 and $160,000, your maximum Traditional IRA deduction is a proportionate reduction of your annual contribution amount. If your MAGI is more than $160,000, you may still make a contribution, however, you may not deduct any portion of your contribution to your Traditional IRA. Because your spouse is an active participant, the deductible amount of contributions made to your spouse’s Traditional IRA is determined under the rules that apply to individuals who are active participants.

2003 and 2004 Active Participant Traditional IRA Deduction Limits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$40,000 or less</td>
<td>$3,000 ($3,500 if age 50 or older)</td>
<td>$45,000 or less</td>
<td>$3,000 ($3,500 if age 50 or older)</td>
</tr>
<tr>
<td></td>
<td>$40,001 to $49,999</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
<td>$45,001 to $54,999</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
</tr>
<tr>
<td></td>
<td>$50,000 or more</td>
<td>No deduction</td>
<td>$55,000 or more</td>
<td>No deduction</td>
</tr>
<tr>
<td>Married filing jointly</td>
<td>$60,000 or less</td>
<td>$3,000 ($3,500 if age 50 or older)</td>
<td>$65,000 or less</td>
<td>$3,000 ($3,500 if age 50 or older)</td>
</tr>
<tr>
<td></td>
<td>$60,001 to $69,999</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
<td>$65,001 to $74,999</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
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<tr>
<td></td>
<td>$70,000 or more</td>
<td>No deduction</td>
<td>$75,000 or more</td>
<td>No deduction</td>
</tr>
<tr>
<td>Married filing separately*</td>
<td>$0 to $10,000</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
<td>$0 to $9,999</td>
<td>Proportionate reduction of $3,000 ($3,500 if age 50 or older)</td>
</tr>
<tr>
<td></td>
<td>$10,000 or more</td>
<td>No deduction</td>
<td>$10,000 or more</td>
<td>No deduction</td>
</tr>
</tbody>
</table>

* Married individuals who live apart for the entire year and file separate tax returns are treated as if they are “single” for purposes of determining their maximum deductible contributions to Traditional IRAs. If you are married filing separately and qualify to be treated as “single,” only your active participant status matters for purposes of determining whether all or any portion of your contribution to a Traditional IRA is deductible.

If You Are Not, but Your Spouse Is, an Active Participant

You are not treated as an active participant in an employer-sponsored retirement plan merely because your spouse is an active participant. If you are married and you are not an active participant in an employer retirement plan, but your spouse is an active participant, you may deduct all of your contribution to your Traditional IRA if the MAGI of you and your spouse is less than $150,000. If your MAGI is between $150,000 and $160,000, your maximum Traditional IRA deduction is a proportionate reduction of your annual contribution amount. If your MAGI is more than $160,000, you may still make a contribution, however, you may not deduct any portion of your contribution to your Traditional IRA. Because your spouse is an active participant, the deductible amount of contributions made to your spouse’s Traditional IRA is determined under the rules that apply to individuals who are active participants.
**Traditional IRAs – Deduction Phase-Out Limits for Active Participants**

The Traditional IRA deduction phase-out limits for certain active participants increase gradually until the limits reach $50,000-$60,000 in 2005 for single filers and $80,000-$100,000 in 2007 for married joint filers. If an active participant falls within the phase-out range for a particular year, he or she is allowed a proportionate deduction of the amount that is contributed. For example, assume you are an active participant in 2003, file your taxes as a single person, and have MAGI of $45,000. Because your MAGI falls exactly in the midpoint of the range, your contribution is 50% deductible. The following chart illustrates the increases in the phase-out limits for Traditional IRA deductions for active participants:

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Single Filer</th>
<th>Married Filing Jointly</th>
<th>Married Filing Separately*</th>
<th>Spouse of Active Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$40,000–$50,000</td>
<td>$60,000–$70,000</td>
<td>$0–$10,000</td>
<td>$150,000–$160,000</td>
</tr>
<tr>
<td>2004</td>
<td>$45,000–$55,000</td>
<td>$65,000–$75,000</td>
<td>$0–$10,000</td>
<td>$150,000–$160,000</td>
</tr>
<tr>
<td>2005</td>
<td>$50,000–$60,000</td>
<td>$70,000–$80,000</td>
<td>$0–$10,000</td>
<td>$150,000–$160,000</td>
</tr>
<tr>
<td>2006</td>
<td>$50,000–$60,000</td>
<td>$75,000–$85,000</td>
<td>$0–$10,000</td>
<td>$150,000–$160,000</td>
</tr>
<tr>
<td>2007 and thereafter</td>
<td>$50,000–$60,000</td>
<td>$80,000–$100,000</td>
<td>$0–$10,000</td>
<td>$150,000–$160,000</td>
</tr>
</tbody>
</table>

* Married individuals who live apart for the entire year and file separate tax returns are treated as if they are “single” for purposes of determining their maximum deductible contributions to Traditional IRAs. If you are married filing separately and qualify to be treated as “single,” only your active participant status matters for purposes of determining whether all or any portion of your contribution to a Traditional IRA is deductible.
Roth IRA Contribution Limits

Contributions to a Roth IRA are never tax-deductible. You may make annual contributions to a Roth IRA at any age if you meet the earned income and Roth MAGI requirements.

In addition to the earned income and dollar limits previously discussed, the amount you may contribute to a Roth IRA for a year depends on your tax filing status and your Roth MAGI, as shown on the following chart. Active participant status does not matter for purposes of making contributions to a Roth IRA.

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Roth MAGI</th>
<th>Allowable Roth IRA Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$95,000 or less</td>
<td>The maximum for that year</td>
</tr>
<tr>
<td></td>
<td>$95,001 to $109,999</td>
<td>Proportionate reduction of the maximum for that year</td>
</tr>
<tr>
<td></td>
<td>$110,000 or more</td>
<td>No contribution allowed</td>
</tr>
<tr>
<td>Married filing jointly</td>
<td>$150,000 or less</td>
<td>The maximum for that year</td>
</tr>
<tr>
<td></td>
<td>$150,001 to $159,999</td>
<td>Proportionate reduction of the maximum for that year</td>
</tr>
<tr>
<td></td>
<td>$160,000 or more</td>
<td>No contribution allowed</td>
</tr>
<tr>
<td>Married filing separately*</td>
<td>$0 to $9,999</td>
<td>Proportionate reduction of the maximum for that year</td>
</tr>
<tr>
<td></td>
<td>$10,000 or more</td>
<td>No contribution allowed</td>
</tr>
</tbody>
</table>

* Married individuals who live apart for the entire year and who file separate tax returns are treated as if they are “single” for purposes of determining their maximum contributions to Roth IRAs.

Special Contribution Limit for a Married Individual With No Earned Income or Earned Income Lower Than Spouse

If you have no earned income, or your earned income is less than your spouse's earned income and less than the maximum contribution amount for the year, and you file a joint tax return, you may add your spouse's earned income in excess of his or her Traditional and Roth IRA contributions to your earned income to determine the amount of your maximum annual contribution. You and your spouse need not make equal contributions to your respective IRAs. However, neither of you may contribute more than the annual maximum amount (e.g., $3,000 for individuals under age 50 in 2003) for any year, and the total annual contribution to all your and your spouse's IRAs (both Traditional IRAs and Roth IRAs, but not including ESAs or salary reduction contributions to SAR-SEPs or SIMPLE IRAs) cannot exceed double the annual maximum (e.g., $6,000 for individuals under age 50 in 2003) for any year. If the combined earned income of you and your spouse is less than double the annual maximum per individual, your and your spouse's total contributions are limited to the total amount of your combined earned income. The same rules apply if you have no earned income or less earned income than your spouse.

IRAs for Minors

A T. Rowe Price IRA may be established for an individual who has not attained age of majority under Maryland law (a “Minor”), provided certain conditions are met. However, a Minor may not establish a Brokerage IRA.
In order for T. Rowe Price to open an IRA for a Minor, the Minor's parent or legal guardian must sign the IRA application on behalf of the Minor and make certain representations. T. Rowe Price cannot accept an IRA application that has been signed by a Minor. T. Rowe Price will only accept instructions from the parent or legal guardian who signed the IRA application until that parent or legal guardian informs us that the IRA owner has reached the age of majority under Maryland law (currently 18 years of age), or the IRA owner provides proof that he or she has reached the age of majority under Maryland law. Once the IRA owner reaches the age of majority, he or she must complete T. Rowe Price's IRA application to take control of the IRA account.

The parent or legal guardian establishing a T. Rowe Price IRA for a Minor certifies the following to be accurate and true:

- That the parent or legal guardian is aware of the Minor's establishment of the IRA;
- That the Minor has earned income that is eligible for an IRA contribution;
- If the Minor is opening a SEP-IRA, that the Minor is an employee with compensation and eligible to make SEP-IRA contributions;
- That the parent or legal guardian is familiar with the IRS regulations governing IRAs;
- That the parent or legal guardian authorizes T. Rowe Price to act on instructions believed to be genuine for any services offered, including telephone redemption and exchange, and agrees that T. Rowe Price will not be liable for any resulting loss or expense; and
- That the parent or legal guardian understands that any written instructions will require the parent or legal guardian's signature and authorization until T. Rowe Price is instructed in writing that the Minor has attained the age of majority under Maryland law.

**Form of Contributions**

Your annual contributions must be made by check, money order, or bank account debit. You may also choose to redeem assets from certain nonretirement accounts in order to fund an IRA contribution. Please be aware that gains on such redemptions may be includable in your gross income and subject to income taxes. If you are redeeming from a nonretirement account to fund an IRA contribution which is to be credited for the prior tax year, your request must be received (as opposed to merely being postmarked) by your tax return due date, excluding extensions. You may not make contributions of property such as stock or real estate.

**CONVERSIONS OF TRADITIONAL IRAS TO ROTH IRAS**

You may be eligible to convert all or any part of your Traditional IRAs into a Roth IRA. All types of Traditional IRAs, including SEP-IRAs (or SAR-SEP IRAs) and SIMPLE IRAs, may be converted to a Roth IRA. However, SIMPLE IRAs may not be converted during the two-year period beginning on the date you first participated in any SIMPLE IRA plan maintained by your employer. A separate two-year period applies to each of your employers maintaining a SIMPLE IRA plan. Therefore, if you participate(d) in more than one employer's SIMPLE IRA plan, you may wish to maintain each employer's SIMPLE IRA in a separate SIMPLE IRA account so you have the most flexibility in converting your SIMPLE IRAs to a Roth IRA.
Eligibility for a Roth Conversion

Whether you can convert a Traditional IRA into a Roth IRA for a particular tax year depends on your filing status and your Roth MAGI for the year, as shown on the following chart:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Roth MAGI*</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$100,000 or less</td>
<td>Eligible</td>
</tr>
<tr>
<td></td>
<td>More than $100,000</td>
<td>Not eligible</td>
</tr>
<tr>
<td>Married filing jointly</td>
<td>$100,000 or less</td>
<td>Eligible</td>
</tr>
<tr>
<td></td>
<td>More than $100,000</td>
<td>Not eligible</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>Any amount</td>
<td>Not eligible</td>
</tr>
</tbody>
</table>

* Beginning in 2005, solely for purposes of determining eligibility to convert to a Roth IRA, any income that represents payment of a required minimum distribution for that year is also deducted to determine and calculate your Roth MAGI.

** Married individuals who live apart for the entire year and who file separate tax returns are treated as if they are “single” for purposes of determining whether they are eligible to convert Traditional IRAs to Roth IRAs.

Timing for a Conversion

Conversions from a Traditional IRA to a Roth IRA for a tax year generally must be made by December 31 of that year. You do not have until the due date of your tax return for a year to convert a Traditional IRA into a Roth IRA for that year. For example, if you wish to convert a Traditional IRA into a Roth IRA for the 2003 tax year, the conversion generally must be completed by December 31, 2003, even though your tax return for 2003 generally is not due until April 15, 2004. However, if you receive a distribution from your Traditional IRA in one year and roll over the distribution to a Roth IRA in the next year, no later than 60 days after you received the distribution, your conversion to the Roth IRA is treated as being made in the first year.

Conversion of RMD Not Permitted

Generally, all or part of the assets in a Traditional IRA may be converted to a Roth IRA. However, required minimum distributions (“RMDs”) from a Traditional IRA for the year of conversion cannot be converted to a Roth IRA. If you want to effect a conversion for a year in which you must take an RMD from your Traditional IRA(s), you must first take your RMD and then make the conversion to a Roth IRA. If you mistakenly convert your RMD for a year to a Roth IRA, the IRS will view the RMD as a distribution from the Traditional IRA and an annual contribution to the Roth IRA. If that amount exceeds your permitted annual contribution to a Roth IRA, you will need to remove the contribution as an excess. (See Section titled “Excess Contributions.”)

Effects of a Conversion

It is not necessary to keep amounts converted to a Roth IRA invested separately from annual contributions to a Roth IRA. All Roth IRAs may be combined into one account without any adverse tax consequences.

If you convert all or part of a Traditional IRA into a Roth IRA, the amount distributed from the Traditional IRA will be treated as if it has been distributed to you. Federal income taxes must be withheld on the amount taken out of the Traditional IRA unless you instruct the IRA custodian otherwise. If you convert to a Roth IRA and you have federal income taxes withheld, T. Rowe Price will withhold state taxes if your address on our records at the time of the distribution is located in a state that requires tax withholding. State taxes will be withheld in accordance with the rules of the state of your address in our records. Also, because a conversion
involves moving assets between IRAs of different types, you and the IRS will receive: (a) a Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) for the distribution from the Traditional IRA; and (b) a Form 5498 (IRA Contribution Information) for the deposit of assets to the Roth IRA. You must also report the conversion to the IRS on Form 8606.

If you have made nondeductible contributions to any Traditional IRA, part of the amount taken out of the Traditional IRA will be taxable and part will be nontaxable. (You must use IRS Form 8606 to determine how much of the distribution from your Traditional IRA is taxable and how much is nontaxable.) You cannot choose to convert only nondeductible contributions in order to avoid taxes on the conversion. (See Section titled “Taxation of Distributions from Traditional IRAs.”) Even though the taxable portion of your conversion must be included in taxable income, amounts properly converted from a Traditional IRA to a Roth IRA are not subject to the 10% federal penalty tax on early distributions. If, however, you make a conversion to a Roth IRA but keep part of the money you withdraw from the Traditional IRA for any reason, such as to pay the taxes due on the conversion: (a) the total taxable portion of the amount you keep must be included in income in the year it was withdrawn from the Traditional IRA; and (b) the taxable portion of the amount you keep may be subject to a federal early distribution penalty. (See Section titled “Early Distribution Penalty.”) In certain circumstances, the penalty may apply later. (See Section titled “Application of Early Distribution Penalty to Roth IRA Converted Amounts.”)

The taxable portion of the amount converted generally must be included in your income in the year of the conversion. Additionally, if your Roth conversion straddles any tax year—for example, a distribution from a Traditional IRA in 2002 is converted to a Roth IRA in 2003—the distribution and conversion may receive different tax year treatment depending on the circumstances. For example, while such a transaction would be treated as a 2002 conversion for purposes of determining your eligibility to convert and for starting the five-year holding period for determining “qualified distributions” from your Roth IRA, it would be treated as a 2003 conversion/contribution for determining the five-year period for the early distribution penalty (if applicable). You should check with your tax adviser to determine the full effect such transactions may have on your individual tax situation.

RECHARACTERIZATIONS

Because there are different types of IRAs with different, complicated rules that apply to each, you may make an IRA conversion or annual contribution that you later determine should have remained in or been contributed to another type of IRA. For instance, you may make an ineligible contribution to a Roth IRA or an ineligible conversion of a Traditional IRA to a Roth IRA. Or you may decide that your contribution to one type of IRA (e.g., a Traditional IRA) would have benefited you more if it had been made to the other type of IRA (e.g., a Roth IRA). You can recharacterize your annual contributions (or conversions) in the following situations:

1. You converted from a Traditional IRA to a Roth IRA in a year and either learn you were ineligible to make the conversion or you decide the conversion was not in your best interest.

2. You made a Roth IRA contribution for a year and learn you were ineligible to make a Roth IRA contribution (or you were eligible to contribute only a partial amount) for that year or you decide you should have made all or part of your contribution to a Traditional IRA instead (even though you are eligible to contribute to a Roth IRA).

3. You made a contribution to a Traditional IRA for a year and decide you should have made all or part of your contribution for that year to a Roth IRA instead.
In these instances, you may recharacterize the annual contribution (or conversion) you made to one IRA (“First IRA”) as being made to another IRA (“Second IRA”). That is, you may move all or part of the contribution or conversion from the IRA where you do not want it to be (the First IRA) to the IRA where you would like it to be (the Second IRA) if the following requirements are met:

1. The movement of money must be directly from the First IRA to the Second IRA; you cannot take possession of the money.

2. Earnings (i.e., the net income attributable) on the amount of the contribution (or conversion) being moved from the First IRA to the Second IRA also must be moved from the First IRA to the Second IRA. If there was a loss in the First IRA, the net income that must be transferred may be a negative number.

3. The movement must take place on or before the due date of your tax return (including extensions) for the year for which you made the contribution or conversion. However, if you timely file your tax return without making the election, you can still make the choice by filing an amended tax return within six months of the due date of the return (excluding extensions). You must report the recharacterization on the amended tax return and write “Filed pursuant to section 301.9100-2” on the tax return. Your amended tax return must be filed at the same address that you filed your original return.

4. If you make a contribution to a Traditional IRA and move all or part of that contribution (plus any earnings) to a Roth IRA, you cannot take a deduction for the amount of the contribution that you move to the Roth IRA.

5. The contribution to the First IRA that is being recharacterized as a contribution to the Second IRA is treated as if it had originally been contributed to the Second IRA on the same date and for the same taxable year that the contribution was made to the First IRA.

To effect a recharacterization, you must notify the custodian or trustee of both the First IRA and the Second IRA before your recharacterization deadline for the year of the contribution (or conversion) and supply both custodians/trustees with complete information to enable them to effect the transfer. When T. Rowe Price calculates the earnings or losses applicable to a recharacterization, the calculation is performed in accordance with the final IRS regulations that are based upon the “new method” described in IRS Notice 2000-39. This means that all investments within the same type of T. Rowe Price IRA will be considered, regardless of whether the recharacterized amount had actually been contributed to a particular investment in that type of IRA. You must report the recharacterization on your tax return, and once the transfer has taken place, you cannot revoke the recharacterization. You may, however, again recharacterize the same contribution or, under certain circumstances and subject to certain restrictions, again convert amounts that previously had been converted.

If you recharacterize a contribution or conversion, you will receive IRS Form 1099-R reporting the recharacterized amount moving from the First IRA and IRS Form 5498 reporting the recharacterized amount moving into the Second IRA. You must also report the recharacterization to the IRS on Form 8606.

If your Roth MAGI is more than $100,000 or you are a married individual filing a separate return for the year that you converted amounts to a Roth IRA, you have made a failed conversion. If the converted amount is not recharacterized, the portion that exceeds your permitted annual Roth IRA contribution will be viewed as an excess contribution to the Roth IRA and may be subject to applicable taxes and penalties. (See Section titled “Excess Contributions.”)
Restriction on Conversions of Previously Converted Amounts

If you convert an amount from any type of Traditional IRA to a Roth IRA during a given tax year, and then recharacterize that amount (including the earnings or losses) back to a Traditional IRA, you are not permitted to convert that same previously converted amount (including the recharacterized earnings or losses) back to a Roth IRA before the later of:

1. January 1 of the tax year which follows the tax year in which you converted the amount; or
2. The end of the 30-day period beginning on the day you recharacterized the amount from the Roth IRA.

This rule also applies to failed conversions.

ROLLOVERS

With a rollover, you receive money (or assets) from your IRA (or a qualified employer-sponsored retirement plan) and then deposit that money (or those assets) in another IRA (or a qualified employer-sponsored retirement plan). Generally, the distribution must be invested into another IRA (or qualified employer-sponsored retirement plan) within 60 days of the distribution being received for any rollover to be considered valid. If you do not complete the rollover within 60 days or you make an ineligible rollover, the distribution will be taxable to you and the amount rolled over will be treated as a contribution to the receiving IRA or employer-sponsored retirement plan. For tax years 2002 through 2010, the IRS (not T. Rowe Price) may waive the 60-day requirement for reasons beyond your reasonable control, such as casualties or disasters.

When the IRA (or qualified employer-sponsored retirement plan) assets are distributed to you, that distribution will be reported to you and the IRS on Form 1099-R. When you roll over the distribution to another IRA, the institution sponsoring the receiving IRA will report receipt of the rollover to you and the IRS on Form 5498.

A rollover from a qualified employer-sponsored retirement plan may also be accomplished by selling the assets distributed and rolling over the sale proceeds (within 60 days of the distribution date). If you roll over the entire sales proceeds, you will not include any gains or losses in your gross income.

A rollover is not the same as a transfer. With a transfer, you never receive money; instead, the money goes directly from one IRA account to another IRA account. (See Section titled “Transfers.”) Similarly, a qualified employer-sponsored retirement plan may, at your request, make a “direct rollover” for which your plan distribution will be paid directly to another plan in which you participate or your IRA. Although you do not take possession of the distribution proceeds, Form 1099-R and Form 5498 will still be issued to you and the IRS.

Traditional IRA to Traditional IRA or Roth IRA to Roth IRA

You may roll over a distribution from a Traditional IRA or Roth IRA to another IRA of the same type. The distributed amount may be all or part of the IRA. You must complete the transaction within 60 days after you receive the distribution to avoid current taxation on the taxable amount of the distribution and having the entire amount treated as an excess contribution to the recipient IRA.

Limits on Rollovers

You may make only one rollover from a Traditional IRA to another Traditional IRA or from a Roth IRA to another Roth IRA in any 12-month period (measured from the date you receive the distribution from the first IRA). There is no limit on the number of rollovers you may make to a Traditional IRA or to a Roth IRA in any period. There is also no limit on the dollar amount you may roll over from one IRA to another IRA of the same type.

If you violate this rule, all later rollovers in the 12-month period will be treated as if they were distributed to you, and you will be taxed on the taxable amount of each such distribution. You also may be subject to the early distribution penalty and the excess contribution tax on ineligible rollovers. Finally, if you receive a distribution other than cash, that same property must be rolled over to the new IRA.
For purposes of determining how many rollovers are taken from an IRA during a 12-month period, the amount that is rolled over must be “traced” for the entire 12-month period.

Example: Mr. Smith rolls over a $10,000 distribution from Traditional IRA #1 to a new Traditional IRA #2. Six months later, Mr. Smith takes a distribution of $7,000 from Traditional IRA #2 and timely rolls it over to Traditional IRA #3. The second rollover is not effective and Mr. Smith will be treated as if he had received a distribution of $7,000 from Traditional IRA #2 and made a contribution of $7,000 to Traditional IRA #3. To the extent that $7,000 causes Mr. Smith to exceed his allowable annual contribution amount, he will have made an excess contribution.

A conversion from a Traditional IRA to a Roth IRA does not count toward the limit of one rollover from a Traditional IRA in any 12-month period. Similarly, recharacterizations you make to a Traditional IRA or to a Roth IRA do not count for the one rollover per year limit. A rollover from a qualified employer-sponsored retirement plan to a Traditional IRA also does not count toward the one rollover in any 12-month period limit.

Because it may be difficult to properly trace rollovers, and because the tax consequences of violating the one-rollover-per year rule can be so severe, you may want to consider moving your IRA assets by transfer. (See Section titled “Transfers.”)

**Traditional IRA to Roth IRA**

You may be eligible to roll over a Traditional IRA to a Roth IRA. This is considered a conversion. (See Section titled “Conversions of Traditional IRAs to Roth IRAs.”)

**SIMPLE IRAs**

Although a SIMPLE IRA is a type of Traditional IRA, special rules apply to rollovers to and from SIMPLE IRAs. In general, you may not roll over any other IRAs or qualified employer-sponsored retirement plans into a SIMPLE IRA and you may not roll over your SIMPLE IRA into another Traditional IRA or qualified employer-sponsored retirement plan during the two-year period beginning on the first day contributions are made by your employer to your SIMPLE IRA. Refer to your SIMPLE IRA plan information for rules regarding rollovers to and from SIMPLE IRAs.

**Qualified Employer-Sponsored Retirement Plan to Traditional IRA**

You may roll over all or part of an “eligible rollover distribution,” as described in the Code, from a qualified employer retirement plan to a Traditional IRA (or a Traditional Rollover IRA). Distributions of after-tax contributions made to certain employer-sponsored retirement plans are also eligible for direct or indirect rollover to Traditional IRAs. Rollovers to Traditional IRAs may generally be accepted from 403(b) plans, eligible governmental 457 plans, and section 401(a) plans (which include 401(k), profit sharing, money purchase pension plans, and defined benefit pension plans). Before you receive the plan distribution, the plan should be able to tell you if all or part of your plan distribution will qualify as an eligible rollover distribution. In addition, the plan also must give you a written explanation of your distribution options and the tax rules before you make your distribution election. The rollover may be accomplished by a “direct rollover” or an “indirect rollover.” In a direct rollover, the plan sends the distribution directly to the custodian or trustee of the Traditional IRA. In an indirect rollover, the plan pays the distribution to you. You must then roll over the distribution to your Traditional IRA. To avoid current taxation on the taxable amount of the distribution, an indirect rollover must be completed within 60 days after you receive the distribution. For tax years 2002 through 2010, the IRS (not T. Rowe Price) may waive the 60-day requirement for reasons beyond your reasonable control, such as casualties and disasters.

If you tell the plan administrator to directly roll over your eligible rollover distribution to a Traditional IRA (or another qualified employer-sponsored retirement plan), the plan will not withhold income taxes on the amount that is directly rolled over. If you do an indirect rollover or take a distribution, the plan must withhold 20% of the taxable amount of the distribution as a prepayment of federal income taxes and, possibly, an additional amount for state income taxes. You can still roll over the amount of the eligible rollover distribution you receive within 60 days of the distribution, but to avoid current taxation on the entire eligible rollover
distribution you must make up from other sources the 20% (or more, if applicable) withheld and include that in the rollover.

Prior to January 1, 2002, Traditional IRAs that contained no regular contributions and only rollover distributions from qualified employer-sponsored retirement plans (sometimes called “conduit” IRAs) could be rolled over to another qualified employer-sponsored retirement plan that accepted such rollovers. New rules for rollovers, effective at least through 2010, generally eliminate the benefit of keeping rollovers from employer retirement plans separate from regular Traditional IRA contributions, but Traditional Rollover IRAs may still help you to track the different money sources. You may gain an advantage by rolling over Traditional Rollover IRA assets to another employer plan. For instance, loans are not allowed from IRAs, but some employer plans permit loans. Therefore, to preserve this potential advantage in case certain provisions of EGTRRA 2001 revert to the laws in effect as of December 31, 2001, you may still want to keep each plan’s rollover distribution in a separate Traditional Rollover IRA and not make any other contributions or rollovers to those Traditional Rollover IRAs. You are responsible for certain reporting requirements for these rollovers, so you should keep accurate records.

Rollovers from Traditional IRAs may generally be accepted into 403(b) plans, eligible governmental 457 plans, and 401(a) plans (which include 401(k), profit sharing, money purchase pension plans, and defined benefit pension plans). Even though the rollover rules are now more flexible, note that not all qualified employer-sponsored retirement plans accept rollovers, and some plans accept only certain types of rollovers. Therefore, you should check with your employer or plan administrator to make sure that the plan will accept your rollover before you instruct T. Rowe Price to roll over any Traditional IRA assets to an employer-sponsored retirement plan. Generally, only deductible Traditional IRA contributions, prior rollovers of pretax employer retirement plan contributions, and any earnings are eligible for rollover to a qualified employer retirement plan. Nondeductible Traditional IRA contributions and prior rollovers of after-tax employer retirement plan contributions are not eligible for rollover to an employer retirement plan. You are responsible for certain reporting requirements, and for providing your employer’s retirement plan with certain information to accept a rollover, so you should keep accurate records.

**Traditional IRA to Qualified Employer-Sponsored Retirement Plan**

Rollovers from Traditional IRAs may generally be accepted into 403(b) plans, eligible governmental 457 plans, and 401(a) plans (which include 401(k), profit sharing, money purchase pension plans, and defined benefit pension plans). Even though the rollover rules are now more flexible, note that not all qualified employer-sponsored retirement plans accept rollovers, and some plans accept only certain types of rollovers. Therefore, you should check with your employer or plan administrator to make sure that the plan will accept your rollover before you instruct T. Rowe Price to roll over any Traditional IRA assets to an employer-sponsored retirement plan. Generally, only deductible Traditional IRA contributions, prior rollovers of pretax employer retirement plan contributions, and any earnings are eligible for rollover to a qualified employer retirement plan. Nondeductible Traditional IRA contributions and prior rollovers of after-tax employer retirement plan contributions are not eligible for rollover to an employer retirement plan. You are responsible for certain reporting requirements, and for providing your employer’s retirement plan with certain information to accept a rollover, so you should keep accurate records.
The following chart shows the types of rollovers (between Traditional IRAs and qualified employer-sponsored retirement plans) that are allowed by the Code for distributions made after December 31, 2001:

<table>
<thead>
<tr>
<th>FROM</th>
<th>Traditional IRA*</th>
<th>401(k)**</th>
<th>403(b)</th>
<th>Government 457</th>
<th>SIMPLE IRA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional IRA</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible contributions and all earnings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes; separate accounting required</td>
<td>No</td>
</tr>
<tr>
<td>Nondeductible or after-tax contributions</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>401(k)</strong>**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax contributions and all earnings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes; separate accounting required</td>
<td>No</td>
</tr>
<tr>
<td>After-tax contributions</td>
<td>Yes; (IRA owner must track basis)</td>
<td>Only by direct rollover to defined contribution plan; separate accounting required</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>403(b)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax contributions and all earnings required</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes; separate accounting required</td>
<td>No</td>
</tr>
<tr>
<td>After-tax contributions</td>
<td>Yes; (IRA owner must track basis)</td>
<td>No</td>
<td>Only by direct rollover to defined contribution plan; separate accounting required</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Government 457</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SIMPLE IRA</strong></td>
<td>Only after 2 years from the first deferral</td>
<td>Only after 2 years from the first deferral</td>
<td>Only after 2 years from the first deferral</td>
<td>Only after 2 years from the first deferral; separate accounting required</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* This includes Rollover IRAs, SEP-IRAs, and SAR-SEPs.
** This includes other qualified employer plans, under Code section 401(a) (e.g., profit sharing plans, money purchase pension plans, and defined benefit pension plans), as well as 403(a) qualified annuity plans.

**Qualified Employer-Sponsored Retirement Plan to Roth IRA**

You may not, generally, directly roll over all or part of an eligible rollover distribution from a qualified employer retirement plan to a Roth IRA. However, Roth IRAs established under employer retirement plans beginning in 2003, and qualified Roth contribution programs under
such plans, beginning in 2006, will become eligible for rollover to a Roth IRA. Of course, you may roll over all or part of an eligible rollover distribution to a Traditional IRA and, if you are eligible, then convert the Traditional IRA to a Roth IRA.

**Roth IRA to Qualified Employer-Sponsored Retirement Plan**

You may not, generally, roll over a Roth IRA to an employer retirement plan. However, distributions from Roth IRAs will become eligible for rollover to Roth IRA accounts maintained under employer retirement plans, beginning in 2003, and to qualified Roth contribution programs under such plans, beginning in 2006.

If you wish to roll over assets to or from your T. Rowe Price IRA, call to request the proper forms and/or obtain information about the procedures necessary to complete such a transaction.

**TRANSFERS**

You may instruct an IRA custodian or trustee to transfer cash (or securities) directly from one IRA to another IRA of the same type (e.g., Roth IRA to Roth IRA or Traditional IRA to Traditional IRA). Such transfers are not treated as distributions. You may make transfers between IRAs of the same type as often as you wish and in any amounts. Transfers are not reported to the IRS.

You also may transfer IRA assets tax-free to your former spouse in accordance with the terms of a valid divorce decree or written instrument incident to a decree of divorce or separate maintenance. All transferred assets will be treated as a separate IRA of your spouse or former spouse.

In limited circumstances, you may be able to transfer in-kind property held in a Traditional IRA or a qualified employer retirement plan to a T. Rowe Price Traditional IRA or in-kind property held in a Traditional IRA or a Roth IRA to a T. Rowe Price Roth IRA. Call us for specific details regarding a Brokerage IRA.

If you participate in a SIMPLE IRA or SEP Plan, refer to your SIMPLE IRA or SEP plan information for rules regarding transfers to and from your IRAs established under such plans.

If you are transferring any type of IRA assets to T. Rowe Price, call to request the proper forms and/or obtain information about the procedures necessary to complete such a transaction.

**IRA PROHIBITIONS**

The following restrictions apply to any type of IRA:

1. No part of your IRA assets may be invested in life insurance or commingled with other property except in a common trust or investment fund. In addition, no part of your IRA assets may be invested in collectibles within the meaning of section 408(m) of the Code, except for certain U.S.-minted gold, silver, and platinum coins; state coins; and certain gold, silver, platinum, or palladium bullion. If collectibles within the meaning of section 408(m) of the Code are contributed to your IRA, those assets will be treated as a distribution in an amount equal to the cost of such collectibles.

2. Certain transactions between you (or your beneficiary) and the assets held in your IRA are not allowed. The Code specifically prohibits selling, exchanging, or leasing of any property between an IRA and the IRA owner. If you engage in a prohibited transaction with your IRA, all of your IRA will lose its tax-deferred status and will be treated as having been distributed to you.

3. You may not pledge or use any portion of your IRA as security for a loan. If you pledge all or any part of your IRA as security for a loan, the amount you have pledged will be treated as having been distributed to you.
4. Trading restrictions may be applied to your IRA if you fail to comply with T. Rowe Price policies and procedures, or if, after making reasonable efforts, T. Rowe Price is unable to verify your identity under the T. Rowe Price Customer Identification Program. Such trading restrictions may also be applied to your IRA if you are a nonresident alien.

**DISTRIBUTIONS/TAXATION**

The taxable portions of distributions from Traditional IRAs and Roth IRAs are included in ordinary income. Unlike certain distributions from qualified employer retirement plans, lump-sum distributions from Traditional IRAs and Roth IRAs are not eligible for forward-averaging, capital gains, or net unrealized appreciation treatment.

**Payment Options**

Your T. Rowe Price IRA may be distributed to you in one or both of the following methods:

1. A single payment of all or a part of your IRA; or
2. Systematic installment payments taken from your IRA at least annually.

When you take a distribution from your IRA, federal withholding equal to 10% of the distributed amount (as described in section 3405 of the Code) must be taken on the withdrawn amount unless you instruct your IRA custodian not to withhold, or to withhold a greater amount. If, at the time of the distribution, your address on our records is within a state that requires withholding, state taxes will also be withheld in accordance with the rules of that state.

**Timing**

You may request a distribution from any IRA (including Traditional IRAs, Traditional Rollover IRAs, SEP-IRAs, SAR-SEP IRAs, SIMPLE IRAs, and Roth IRAs) at any time. All or part of the distribution may be taxable. In addition, if you take a distribution before you reach age 59 1/2, you may also be subject to an additional 10% federal early distribution penalty on the taxable amount of the distribution. (See Section titled “Early Distribution Penalty.”)

**Taxation of Distributions From Traditional IRAs**

For purposes of determining the taxation of distributions from Traditional IRAs, you must treat all of your Traditional IRAs (including Traditional IRAs holding nondeductible contributions, Traditional IRAs holding deductible contributions, Traditional Rollover IRAs, SEP-IRAs, SAR-SEP IRAs, and SIMPLE IRAs) as if they were one IRA. If you have made nondeductible contributions to any Traditional IRA, distributions from any of your Traditional IRAs will be treated as part taxable and part nontaxable. You must use IRS Form 8606 to determine how much of any Traditional IRA distribution (including distributions from your Traditional IRAs, Traditional Rollover IRAs, SEP-IRAs, SAR-SEP IRAs, and SIMPLE IRAs) is nontaxable.

**Taxation of Roth IRA Distributions**

Taxation of a distribution from a Roth IRA depends on whether the distribution is a “qualified” distribution.

**Qualified Roth IRA Distributions**

Earnings in a Roth IRA grow tax-deferred and can be withdrawn tax-free (and penalty-free) if the distribution is a “qualified” distribution. A distribution will be “qualified” if it is made:

1. After you have had a Roth IRA for a five-calendar-year period (discussed below); AND
2. On or after the date on which you attain age 59 1/2, die, or become disabled, or for a qualified first-time home purchase (up to a lifetime limit of $10,000).
The five-calendar-year period begins with the first day of the year for which you made a contribution or conversion to any Roth IRA. Starting a new Roth IRA in a later year (either by annual contribution or by conversion) does not start a new five-year holding period for purposes of determining the income tax treatment of Roth IRA distributions. However, a different rule applies for purposes of determining the penalty tax treatment of Roth IRA distributions attributable to converted amounts. (See Section titled “Application of Early Distribution Penalty to Roth IRA Converted Amounts.”)

If you die, the five-calendar-year period continues to be measured from the time you held the Roth IRA. A new period does not start in the year of your death. If you hold a Roth IRA as a beneficiary and your own Roth IRA, the five-calendar-year period for these Roth IRAs is measured separately.

If you die and your surviving spouse beneficiary of your Roth IRA elects to treat your Roth IRA as his or her own, the five-calendar-year period for your surviving spouse begins on the earlier of the beginning of the five-calendar-year measuring period for your Roth IRA or the beginning of the five-calendar-year measuring period for his or her own Roth IRA.

If a distribution is qualified, it generally is not subject to the early distribution penalty. However, a special rule exists for amounts withdrawn that are attributable to amounts converted within the five-year period after the conversion. (See Section titled “Application of Early Distribution Penalty to Roth IRA Converted Amounts.”)

Distributions of excess contributions plus earnings are never treated as qualified distributions.

**Nonqualified Roth IRA Distributions**

If a distribution from a Roth IRA is not qualified and the distribution includes earnings, the earnings withdrawn must be included in income and may be subject to the 10% federal early distribution penalty. Generally, distributions from a Roth IRA of contributions and amounts converted from a Traditional IRA to a Roth IRA are not taxed even if the distribution is not qualified.

**Ordering Rules for Roth IRA Distributions**

Like Traditional IRAs, all Roth IRAs must be treated as one for purposes of determining the taxation of withdrawals. Unlike Traditional IRAs, however, withdrawals from Roth IRAs do not represent a pro-rata return of taxable and nontaxable amounts. Instead, distributions from Roth IRAs are classified according to the following “ordering rules”:

- First, from regular contributions to Roth IRAs;
- Second, from conversion amounts, starting with amounts first converted, and for each amount converted, first from amounts included in taxable income as a result of the conversion, and second, from amounts not included in taxable income as a result of the conversion; and
- Last, from earnings.

**Early Distribution Penalty**

All taxable amounts withdrawn from a Traditional IRA or a Roth IRA (including amounts deemed distributed because of a prohibited transaction) may be subject to an additional 10% federal early distribution penalty. If you are subject to the 10% early distribution penalty, you may need to complete IRS Form 5329 and attach it to your federal tax return. Your IRA
custodian or trustee may report your IRA distribution on IRS Form 1099-R as an early distribution (with no known exception to the additional tax). If this is the case, but an exception to the 10% early distribution penalty applies to your distribution, then you must also complete IRS Form 5329 to claim your exception and attach it to your federal tax return. Generally, as outlined under section 72(t) of the Code, the 10% early distribution penalty does not apply to IRA distributions that are made:

1. after you reach age 59 1/2;
2. upon your death;
3. upon your total and permanent disability;
4. as part of a series of substantially equal periodic payments taken at least annually over your life expectancy or the joint and last survivor life expectancy of you and your beneficiary;
5. for deductible medical expenses that exceed 7.5% of your adjusted gross income (this exception applies even if you do not itemize your deductions);
6. for health insurance premiums paid for yourself, your spouse, or your dependents while you are unemployed for at least 12 consecutive weeks;
7. for a “qualified first-time home purchase” (up to $10,000 during your lifetime) for you, your spouse, or the children, grandchildren, or parents of you or your spouse;
8. for “qualified higher education expenses” incurred by you, your spouse, or your (or your spouse’s) children or grandchildren;
9. in order to convert from a Traditional IRA to a Roth IRA; or
10. made pursuant to an IRS levy under section 6331 of the Code.

In the case of distributions from a SIMPLE IRA, the 10% penalty may be increased to 25% if the distribution is made during the two-year period beginning when you first participated in the SIMPLE IRA plan.

**Application of Early Distribution Penalty to Roth IRA Converted Amounts**

Under the usual rule, if a distribution from an IRA is not included in taxable income, then the distribution is not subject to the 10% early distribution penalty. For example, distributions of contributions to a Roth IRA are not included in taxable income (even if the distribution is not “qualified”), so they are not subject to the 10% federal early distribution penalty.

The one exception to this rule involves amounts converted from a Traditional IRA to a Roth IRA. If you withdraw amounts taxed on conversion (determined under the ordering rule described above) within the five-year period beginning with the year those amounts were converted to a Roth IRA, the amount distributed that is attributable to the taxable amounts converted will be subject to the 10% early distribution penalty unless an exception applies. Thus, this penalty may apply even though the distribution from the Roth IRA is not included in taxable income.

For purposes of determining if the early distribution penalty applies to distributions of amounts that were taxed on conversion, the five-year period starts in the year the conversion was made. (For this purpose, the five-year period does not start in the first year a contribution or conversion is made to a Roth IRA, as is the case for determining the income taxation of distributions from Roth IRAs.) Therefore, you still must track the age and taxable amount of each year's amounts converted to a Roth IRA.

Example: Assume you have made a 2000 Roth IRA annual contribution of $1,700; a 2001 Roth IRA annual contribution of $1,300; a 2000 conversion to a Roth IRA of $100,000, of which $80,000 was taxable; and a 2001 conversion to a Roth IRA of $5,000, of which $1,000 was taxable. Also, assume that you have withdrawn in prior years all of your regular contributions and your 2000 conversion amount (i.e., a total
You have a “qualified distribution” of $500 in 2005 because the Roth IRA is more than five years old and you are beyond the year you turn age 59 1/2. But even if the distribution was not “qualified,” the $500 is not included in your taxable income because it is deemed to have come from converted amounts, not earnings. However, because you are withdrawing 2001 converted amounts included in income in 2001 within five years from 2001 (the year of the conversion), you must pay the 10% early distribution penalty on the $500 unless you met one of the exceptions to the penalty. In this example, you meet the age 59 1/2 exception.

REQUIRED MINIMUM DISTRIBUTIONS
Required minimum distribution (“RMD”) rules require that you take annual minimum distributions from your IRA once you reach age 70 1/2 and that your beneficiaries take minimum distributions from your IRA after your death. (Remember that for this purpose, Traditional IRAs include Rollover IRAs, SEP-IRAs, SAR-SEP IRAs, and SIMPLE IRAs.)

How the rules apply during your lifetime is different from how they apply after your death. In any event, RMDs are not eligible for rollover.

While You Are Alive
You must take RMDs each year from your Traditional IRA(s) beginning for the year you reach age 70 1/2. For any year, you can always withdraw more than the minimum amount that is required by the RMD rules.

You are not required to take distributions from a Roth IRA while you are alive (even after you reach age 70 1/2).

When Must RMDs Be Paid?
The RMD for the year you reach age 70 1/2 must be distributed by your required beginning date (“Required Beginning Date”). Your Required Beginning Date is April 1 of the year following the year in which you reach age 70 1/2. Each following year’s RMD must be taken by December 31 of that year. So, if you elect to defer your first year’s RMD to April 1 of the following year, you also must take your second year’s RMD by December 31 of that same year.

How Is Your RMD for a Year Calculated?
The amount of a particular year’s RMD is calculated using the following formula:

\[
\text{IRA RMD for a year} = \frac{\text{IRA account balance on December 31 of the preceding year}}{\text{Applicable distribution period for the year}}
\]

Calculation of IRA Account Balance on December 31

Usually your IRA account balance on any December 31 is the fair market value of your IRA on that December 31. However, you must adjust your December 31 account balance in a year in either of the following two circumstances:

- **Outstanding Rollovers or Transfers** – If a rollover from a qualified plan or another Traditional IRA to another Traditional IRA is not in any account on December 31, the amount being rolled over must be added to the recipient IRAs account balance for that December 31. Similarly, if a transfer from one Traditional IRA to another Traditional IRA is not in any account on December 31, the amount being transferred must be added to the recipient IRAs account balance for that December 31.

- **Recharacterizations** – If all or part of an amount that was converted to a Roth IRA for one year is being transferred back to a Traditional IRA as a recharacterization in a later year, the amount being recharacterized must be added to the recipient IRAs account balance for December 31 of the year in which the amount was converted.
**Determination of Applicable Distribution Period**

The applicable distribution period for an RMD while you are alive is determined each year from one of two IRS tables that are reproduced in an Appendix to IRS Publication 590 (Individual Retirement Arrangements (IRAs)). For each year you must take an RMD, you must determine which table to use.

1. **Uniform Lifetime Table** – Most likely you will use this table for most years to determine your applicable distribution period for a year. This table is used for a year if you are not married or, if you are married, you have not named your spouse as your sole primary beneficiary for the entire year or your spouse was not born more than 10 calendar years after you. For any year you use this table, use the distribution period shown on the table for your age on your birthday in that year.

2. **Joint and Last Survivor Expectancy Table** – You may use this table for a year only if the sole beneficiary of the IRA for that entire year is your spouse and your spouse was born more than 10 calendar years after you. (Generally, the beneficiaries of your T. Rowe Price IRA will be the individuals and/or entities you have named on your beneficiary form that you have filed with us. If you have not filed a beneficiary form with us, your sole beneficiary will be your surviving spouse; if you have no surviving spouse, your sole beneficiary will be your estate.)

For purposes of determining if you can use the Joint and Last Survivor Expectancy Table in any year, your marital status is determined on January 1 of that year. But special rules apply if you get divorced or your spouse dies during a year:

a. **Death** - If you are married on January 1, if your spouse is your sole primary beneficiary of the IRA on that January 1, and if your spouse dies before you during that year, your spouse is treated as your sole primary beneficiary for the entire year in which your spouse died only if you do not name a new beneficiary until after your spouse’s death.

b. **Divorce** - If you are married on January 1, if your spouse is your sole primary beneficiary of the IRA on that January 1, and if you and your spouse divorce during that year, your spouse is treated as your sole primary beneficiary for that entire year only if you do not name a new beneficiary during that year.

To determine your applicable distribution period for a year using the Joint and Last Survivor Expectancy table, use the number at the intersection of the row or column containing your age on your birthday in that year and the row or column containing your spouse’s age on your spouse’s birthday in that year.

**Multiple IRAs**

If you have more than one Traditional IRA, you must determine the RMD separately for each Traditional IRA based on the account balance and beneficiary of each IRA. After you have calculated each Traditional IRAs RMD, you can add the RMD amounts and withdraw the total amount from any one or more of your Traditional IRAs. Check with your tax adviser to verify that you are withdrawing at least the minimum required amount from all of your IRAs.

**Required Notices**

If your birth date in our files shows you are required to take an RMD from a T. Rowe Price IRA for a year, in January of that year we will send you a notice that you must take an RMD for that year. Beginning in 2004, we also must notify the IRS each year you must take an RMD from a T. Rowe Price IRA.
After Your Death

After you die (regardless of your age when you die), the RMD rules apply to the beneficiaries of your IRA. How the RMD rules apply after your death depends on whether you die before your Required Beginning Date, the identity of your beneficiaries, and the type of IRA. Note that these rules are used only in determining the RMD amount that must be paid from your IRA in any year; these rules are not used to determine who receives the payments from your IRA after your death.

General Rules

The following general rules apply in determining RMDs after your death:

1. “Designated Beneficiary” – After your death, the actual beneficiaries of your IRA are entitled to the assets in your IRA. To make sure the RMD is paid from your IRA each year after the year of your death, one must determine if you have one or more designated beneficiaries (“Designated Beneficiaries”) of your IRA and the identity of any Designated Beneficiary.

   Generally, a Designated Beneficiary must be an individual and not an entity (e.g., an estate, a trust, or a charity). Your Designated Beneficiaries, if any, are determined on September 30 of the year following the year of your death. To be a Designated Beneficiary, an individual must be an actual beneficiary of your IRA on the date of your death and must: (a) still be entitled to receive benefits from your IRA on September 30 of the year after the year of your death; or (b) have died before September 30 of the year after the year of your death without disclaiming benefits before his or her death.

2. Generally, if you have multiple actual beneficiaries and, on September 30 of the year after the year of your death, one of those beneficiaries is not an individual, you are treated as if you do not have any Designated Beneficiary. However, if one of your actual beneficiaries is a trust, it may be possible for one or more of the individual beneficiaries of the trust to be a Designated Beneficiary. The trust beneficiary rules are complicated. See IRS Publication 590 or your tax adviser for details.

3. If you have more than one Designated Beneficiary, for purposes of performing the RMD calculation, your oldest Designated Beneficiary will be treated as your only Designated Beneficiary. However, if a separate account is established for each of your Designated Beneficiaries by the end of the year following the year of your death, the RMD rules apply separately to each account. The separate account rules are complicated. See IRS Publication 590 or your tax adviser for details.

4. If the sole beneficiary of your IRA is your surviving spouse, your spouse may elect to treat your IRA as if it were his or her own IRA, name his or her own beneficiaries, and take RMDs as if your spouse owns the IRA. If your surviving spouse wishes to make this election for a T. Rowe Price IRA, your spouse must notify T. Rowe Price in writing. Your surviving spouse also may roll over to his or her own IRA or to certain qualified employer plans any distribution from your IRA that is not an RMD.

   Any beneficiary who is not your surviving spouse may not elect to treat your IRA as his or her own or to roll over distributions from your IRA. Your beneficiary may name his or her own beneficiaries for the IRA that your beneficiary inherits from you.
5. If a beneficiary is required to take RMDs as a beneficiary of more than one of a particular decedent's IRAs, the beneficiary does not have to take the RMD from each IRA. Instead, the beneficiary can separately calculate his or her RMD for each IRA, add the RMD amounts for all of a particular decedent's IRAs of the same type (e.g., as beneficiary of a decedent's Roth IRAs or as beneficiary of a decedent's Traditional IRAs), and take the total RMD amount for that type of IRA from any of the decedent's IRAs of that same type.

6. RMDs after your death are calculated using the same formula as described above under “How Is Your RMD for a Year Calculated?” except that the determination of the applicable distribution period is different.

7. Your beneficiaries may always take larger amounts from your IRAs than is required by the RMD rules.

**Death On or After Your Required Beginning Date**

The following rules apply to a Traditional IRA if you die on or after your Required Beginning Date.

1. Your RMD for the year in which you die, calculated as described above under “While You Are Alive,” must be paid by the end of the year in which you die, even if the payment is not made until after your death.

2. For each year after the year of your death, an RMD must be paid from your IRA, calculated as described above under “While You Are Alive,” except the determination of the applicable distribution period is different and depends on whether the beneficiary of your IRA is a Designated Beneficiary.

   a. No Designated Beneficiary – The applicable distribution period is equal to your life expectancy from the Single Life Table in the Appendix to IRS Publication 590 listed next to the age you would have been on your birthday in the year of your death, reduced by one for each year after the year of your death. This means RMDs are paid over a fixed period of time.

   b. A Designated Beneficiary – The applicable distribution period is the longer of:

      i. Your remaining life expectancy as determined in “Designated Beneficiary” above.

      ii. The remaining life expectancy of your Designated Beneficiary.

   Determination of the life expectancy of your Designated Beneficiary depends on the identity of the Designated Beneficiary of your IRA as follows:

   A. If the sole Designated Beneficiary of your IRA is your surviving spouse, life expectancy of your Designated Beneficiary is determined each year from the Single Life Table based on your spouse's age on his or her birthday in the year for which the calculation is being made. This means your spouse's life expectancy is recalculated each year.

   B. If the Designated Beneficiary of your IRA is not your surviving spouse or your surviving spouse is not the sole Designated Beneficiary of your IRA, determine the Designated Beneficiary's life expectancy from the Single Life Table based on the Designated Beneficiary's age on his or her birthday in the year after the year of your death, reduced by one for each year thereafter. This means RMDs are paid over a fixed period of time.
Death Before Your Required Beginning Date

The following rules apply to a Traditional IRA if you die before your required beginning date. Again, determination of the applicable distribution period depends on whether the beneficiary of your IRA is a Designated Beneficiary.

1. No Designated Beneficiary – If you do not have a Designated Beneficiary of your IRA, the entire IRA must be distributed by the end of the fifth calendar year after the year of your death. Under this rule, no distribution is required until that fifth year.

2. A Designated Beneficiary – If you have a Designated Beneficiary of your IRA, generally an RMD must be paid from the IRA for each year after the year of your death. The RMD is calculated as described above under “While You Are Alive” except the determination of the applicable distribution period is different and depends on the identity of your Designated Beneficiary:
   a. Spouse is Sole Beneficiary – If your surviving spouse is the sole beneficiary of your IRA, your spouse may elect to delay taking RMDs from that IRA until the later of: (i) the end of the year following the year in which you died; or (ii) the end of the year in which you would have reached age 70½ if you had not died. Once RMDs must begin, the applicable distribution period is equal to your surviving spouse’s life expectancy determined each year from the Single Life Table in the Appendix to IRS Publication 590 based on your surviving spouse’s age on his or her birthday in the year for which the calculation is being made. This means your surviving spouse’s life expectancy is recalculated each year. (If your spouse dies before RMDs must begin, for purposes of calculating RMDs from the IRA, your surviving spouse will be treated as if your spouse were the owner of the IRA. However, this rule does not apply to the surviving spouse of your surviving spouse.)
   b. Spouse is Not Sole Beneficiary – If your surviving spouse is not the sole beneficiary of your IRA, RMDs must be paid for each year after the year of your death. The applicable distribution period is determined from the Single Life Table based on the Designated Beneficiary’s age on his or her birthday in the year after the year of your death, reduced by one for each year thereafter.

3. Special Rule – Any Designated Beneficiary may elect to take your entire IRA by the end of the fifth year following the year of your death. Under this special rule, no distribution is required until that fifth year.

Roth IRAs

Regardless of whether you die before, on, or after your required beginning date, RMDs from a Roth IRA after your death are calculated in accordance with the rules described under “Death Before Your Required Beginning Date.”

Effect of Failure to Take RMD

If you do not take your RMD from a Traditional IRA for a year that you are alive, you may be subject to a 50% federal penalty tax on the difference between the amount that you should have withdrawn and the amount you actually withdrew. The same rule applies to the beneficiaries of both your Traditional IRAs and your Roth IRAs after your death. The IRS may waive the penalty tax if you (or your beneficiary) can prove the failure to take the RMD was due to reasonable error and the error is being corrected.
NAMING BENEFICIARIES
You may establish up to five different types of IRAs at T. Rowe Price. Your options include the following:

- a Traditional IRA;
- a Traditional Rollover IRA;
- a Roth IRA;
- a SEP-IRA (which includes a SAR-SEP IRA); and
- a SIMPLE IRA. (Note that SIMPLE IRAs are established under a separate document.)

At any given time, you may have only one IRA of each type listed above at T. Rowe Price, but you may have more than one type of IRA and name different beneficiaries for each type. The most recent designation you make for a particular type of T. Rowe Price IRA will apply to all investments within that type of IRA. For instance, assume you have an existing T. Rowe Price Roth IRA and you open a new investment. Any beneficiary designation you make for the new investment in your T. Rowe Price Roth IRA will replace any prior beneficiary designation you had made for your existing T. Rowe Price Roth IRA. The beneficiaries for all investments held in your T. Rowe Price Roth IRA will be updated to reflect your most recent designation. However, any designations you had made for another type of T. Rowe Price IRA would not be affected.

If You Die With No Named Beneficiary
If no beneficiary designation is in effect at your death, your surviving spouse will be considered your sole beneficiary. If no beneficiary designation is in effect at your death, and you do not have a surviving spouse, your estate will be considered your sole beneficiary.

How Your T. Rowe Price IRAs Are Distributed to Your Beneficiary(ies)
If you name multiple primary beneficiaries or multiple secondary beneficiaries, failure to identify the percent allocable to each beneficiary will result in equal allocation among the appropriate beneficiaries. Secondary beneficiaries receive distributions only if no primary beneficiaries survive you. Unless you indicate otherwise, T. Rowe Price will distribute your IRA to your beneficiaries on a per capita basis. That is, if a primary beneficiary dies before you and you do not make further changes to your primary beneficiaries, the percentages will be recalculated proportionately among the remaining primary beneficiaries based upon your last effective designation. We use the same method and rules for secondary beneficiaries. If you die and one of your beneficiaries is a Minor, the parent or legal guardian of that beneficiary must execute all necessary forms to withdraw from your IRA or open an inherited IRA for that beneficiary.

Special Beneficiary Rules for a Brokerage IRA
If you name multiple primary beneficiaries or multiple secondary beneficiaries for a Brokerage IRA in which you owned individual securities upon your death, your beneficiaries may not choose specific securities to which they are entitled. The total number of shares of each security held in your IRA will be divided proportionately based upon the percentages allocated to each beneficiary. If you die owning individual securities in your Brokerage IRA, no additional securities can be purchased for an inherited IRA owned by a Minor. However, the Minor's inherited IRA can continue to hold such securities and they can be sold upon instruction from the Minor's parent or legal guardian.

Beneficiaries Naming Additional Beneficiaries
Upon your death, your surviving spouse or other beneficiary of your T. Rowe Price IRAs may name his or her own beneficiary(ies) for an inherited IRA. Some states may restrict and/or prohibit the designation of beneficiaries on inherited IRAs, so an attorney or appropriate state authority should be consulted regarding the laws in the applicable state. Please call T. Rowe Price to request the proper form to name a beneficiary for an inherited IRA. If a beneficiary
inherits your IRA and then dies without naming his or her own beneficiary, that beneficiary's surviving spouse will be considered the sole beneficiary of that beneficiary's inherited IRA. If a beneficiary inherits your IRA, dies without naming his or her own beneficiary, and dies with no surviving spouse, that beneficiary's estate will be considered the sole beneficiary of that beneficiary's inherited IRA.

**Trusts as Beneficiaries**

You may name a trust as beneficiary of your IRA. A trust is not considered a Designated Beneficiary for the purposes of determining required minimum distributions based upon the life expectancy of a beneficiary. (See Section titled “Required Minimum Distributions.”) However, if the trust meets all of the “look-through” or “pass-through” rules as described in IRS Publication 590 and Treasury Regulations, its individual beneficiaries may be considered the Designated Beneficiaries of an IRA. T. Rowe Price may require an assertion from all trustees of the trust, or an attorney who is familiar with the trust, that the trust meets all of the requirements prescribed by section 1.401(a)(9)-4 of the Treasury Regulations, and applicable rulings, if: (a) T. Rowe Price is instructed to calculate required minimum distributions based upon a trust's beneficiary's life expectancy; or (b) T. Rowe Price is instructed to roll over a decedent's IRA to an IRA for his or her surviving spouse when a trust was named as beneficiary of the decedent's IRA.

**General Rules for Naming Beneficiaries**

In order for any beneficiary designation to be effective, it must be received and accepted by T. Rowe Price before your death. If you are the surviving spouse beneficiary of a deceased individual's T. Rowe Price IRA(s), you must inform T. Rowe Price in writing if you wish to treat any of your spouse's T. Rowe Price IRA(s) as your own IRA.

Please call T. Rowe Price for procedures to name or change your beneficiaries, or if you want to make special arrangements for naming your beneficiaries. Additional rules governing the naming of beneficiaries for your T. Rowe Price IRA are specified in Article 5.8 of the Custodial Agreement.

**PENALTY TAXES**

**Excess Contributions**

If you contribute more to your IRAs than is allowed as annual contributions, rollovers, or conversions (all discussed earlier), a 6% excise tax will apply for each year the excess contribution remains in your IRA(s) on December 31.

You can avoid the excise tax by withdrawing the excess contribution and any earnings on it before the due date for filing your federal tax return, including extensions, for the year for which the excess contribution was made. Any withdrawn earnings must be included in income for the tax year in which the excess contribution was made. However, if you timely file your tax return for that tax year without making the election, you can still make the choice by filing an amended return within six months of the due date of the return (excluding extensions). You must report the returned excess on the amended tax return and write “Filed pursuant to section 301.9100-2” on the return. Your amended tax return must be filed at the same address that you filed your original return. The earnings attributable to the returned excess may be a negative number. If you are requesting the return of an excess contribution and you are asking T. Rowe Price to calculate the earnings or losses, the earnings will be calculated in accordance with the final IRS regulations that are based upon the “new method” described in IRS Notice 2000-39. This means that all investments within the same type of IRA will be considered regardless of whether the excess contribution was actually invested in a particular investment in that type of IRA.

If you withdraw an excess contribution for a year prior to your tax return due date (including extensions) for that year, the withdrawal is treated as a return of an excess contribution if your total IRA contributions for the year of withdrawal are not more than that year's maximum, and, if the excess contribution was made to a Traditional IRA, you did not deduct the excess contribution on your tax return. T. Rowe Price will report the distribution to you and the IRS on Form 1099-R, reporting any earnings and showing a distribution code for a returned excess contribution.
You can avoid application of the 6% excise tax for subsequent years by withdrawing the excess contribution or applying the excess contribution as an annual contribution for a subsequent year. If your excess contribution was made to a Traditional IRA and your total IRA annual contributions for the year of the contribution were not more than that year's dollar limit, and you did not deduct the excess contribution on your tax return, you will not be required to include the corrective distribution in your gross income. That exclusion from gross income also applies to corrective distributions of excess rollover contributions from employer-sponsored retirement plans, for which you reasonably relied on erroneous information from the plan administrator. Otherwise, you will need to include such corrective distributions in your gross income and they may be subject to the 10% penalty tax on premature distributions. If T. Rowe Price is informed that the excess is not being returned prior to your tax return due date, including extensions, T. Rowe Price will report the returned excess contribution to you and the IRS on Form 1099-R as either an early or normal distribution, depending upon your age. You are not required to withdraw earnings on the excess contribution in this instance.

**Failure to Report Nondeductible Contributions Properly**

If, on your tax return, you overstate the amount of your nondeductible contributions to a Traditional IRA or the amount of your contributions to a Roth IRA, you may be subject to a $100 penalty for each overstatement unless you can prove that the overstatement was due to a reasonable cause. Failure to report nondeductible contributions to a Traditional IRA on IRS Form 8606 or failure to report contributions to a Roth IRA may result in a $50 penalty unless you can prove the failure was due to reasonable cause.

**Early Distributions**

If you receive distributions from your IRA before you reach age 59 1/2, you may be subject to a 10% early distribution penalty in addition to the ordinary income taxes you must pay on the distribution. (See Section titled “Early Distribution Penalty.”) If you receive distributions from your Roth IRA before you reach age 59 1/2, you may be subject to an early distribution penalty even if no part of the distribution is included in your taxable income. (See Section titled “Application of Early Distribution Penalty to Roth IRA Converted Amounts.”) To calculate and pay an early distribution penalty, or to except yourself from the penalty, you may need to complete IRS Form 5329.

**Failure to Withdraw RMD (Excess Accumulation Penalty)**

If you do not take your required minimum distribution from a Traditional IRA for a year, or your beneficiaries do not take their appropriate RMDs from a Traditional or Roth IRA, the 50% penalty tax on excess accumulations may apply. (See Section titled “Required Minimum Distributions.”)

**FEES**

An annual fee of $10 will be charged for each T. Rowe Price mutual fund in each of your T. Rowe Price IRAs. However, this fee will be waived for a mutual fund investment in an IRA if that mutual fund balance is $5,000 or greater at the time of fee billing, or if the aggregate balance of all of your T. Rowe Price regular and retirement mutual fund accounts is $50,000 or greater at the time of fee billing, or for households with $100,000 or more in total assets with T. Rowe Price at the time of fee billing. These thresholds and fee amounts are subject to change. If you close your T. Rowe Price IRA during the year, the $10 fee will be deducted automatically from the proceeds of the redemption from each mutual fund unless, at the time of redemption, you previously have paid that fee for the year. This fee applies regardless of the size of your mutual fund investments.

Some of these fees may be deductible on your federal income tax return if you itemize your deductions and if you pay the fee directly, prior to the fee being charged to your account, during the same calendar year for which you are claiming the deduction.

Information on fees and commissions associated with a Brokerage IRA can be found in the materials provided with your T. Rowe Price Brokerage IRA kit.

For information on early withdrawal penalties and fees associated with a Certificate of Deposit in your Savings Bank IRA, please see the T. Rowe Price Savings Bank Disclosure and Agreement for Certificate of Deposit Accounts.
TAX FORMS

T. Rowe Price will send you a Form 5498 for each year that you contribute or make a rollover, conversion, or recharacterization into a T. Rowe Price IRA. T. Rowe Price will mail Form 5498 in May following the year for which you made your contribution. This form shows the total contributions to your T. Rowe Price IRA(s) for the prior calendar year, the total rollover contributions to your T. Rowe Price IRA(s) in the prior calendar year, the total amounts converted and/or recharacterized between your T. Rowe Price IRA(s) in the prior calendar year, and the fair market value of your IRA(s) as of the preceding December 31.

T. Rowe Price will send you a Form 1099-R for each year that you take a distribution from a T. Rowe Price IRA. T. Rowe Price will mail Form 1099-R in January following the year for which you made your distribution. This form reports any distributions, including conversions, recharacterizations, and withdrawals to beneficiaries after your death, from a T. Rowe Price IRA in the prior calendar year. The form does not report a direct transfer from one IRA custodian or trustee to another custodian or trustee for the same type of IRA. The distribution code found on each Form 1099-R explains to the IRS the type of distribution made for each type of IRA.

You report your deductible contributions to a Traditional IRA on your Form 1040 or 1040A. This information is needed for you to determine the taxable portion of any distributions you receive from your Traditional IRAs and to determine any amounts eligible for rollover to certain qualified employer-sponsored retirement plans. You are not required to inform your IRA custodian what portion of your contribution is deductible or nondeductible. Penalties may apply if you overstate the amount of your deductible and/or nondeductible contributions to a Traditional IRA. Because you are responsible for calculating the taxation of distributions from your IRAs, you should save all reports and representations that you make to the IRS about your IRA contributions.

If you make a nondeductible contribution to a Traditional IRA, you must report the amount of the nondeductible contribution to the IRS on Form 8606. If you took a distribution from your Traditional IRA and you have previously made nondeductible contributions, or if you took a distribution from your Roth IRA, you must calculate the taxable amount of your distribution by completing Form 8606. Additionally, if you made a conversion to a Roth IRA, or a recharacterization between a Traditional IRA and a Roth IRA, you must report these transactions to the IRS on Form 8606. The IRS may design a form similar to Form 8606 that you must use to report contributions to a Roth IRA.

If you incur a penalty tax in a year due to early distributions, excess contributions, or failure to take required minimum distributions, you may need to file Form 5329 for that year. If your distribution was reported on Form 1099-R as an early distribution (with no known exception), but an exception to the 10% early distribution penalty tax should apply, then you must file Form 5329 for that year.

MISCELLANEOUS

Investment Performance

The growth of your T. Rowe Price IRA depends on the investments you select. Therefore, the growth of your T. Rowe Price IRA can be neither projected nor guaranteed. However, the Federal Deposit Insurance Corporation (FDIC) insures, up to $100,000, all T. Rowe Price Savings Bank Certificate of Deposit investments in a T. Rowe Price IRA.

IRS Approval

The IRS approved the T. Rowe Price Trust Company Traditional and Roth IRA Custodial Agreement on October 30, 2003. Approval by the IRS is a determination as to the form, not the merits, of this IRA.

Additional Information

Please refer to IRS Publication 590, Individual Retirement Arrangements (IRAs), for additional information concerning these complicated rules. You may obtain this publication from your local IRS office or by calling 1-800-TAX-FORM. IRS publications also are available at the IRS’ Web site at www.irs.gov. In addition, you may want to consult your personal tax adviser with any questions you have about IRAs.
This T. Rowe Price Traditional and Roth Individual Retirement Account Custodial Agreement (“Agreement” or “Custodial Agreement”) is an amended and restated prototype document for establishing Traditional and Roth individual retirement accounts, which is sponsored by T. Rowe Price Trust Company (“T. Rowe Price”) for use by T. Rowe Price and any affiliate of T. Rowe Price that is permitted to serve as Custodian under this Custodial Agreement. This Agreement incorporates changes made by the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, the Economic Growth and Tax Relief Reconciliation Act of 2001, and the required minimum distribution final regulations issued in 2002. The Internal Revenue Service (“IRS”) has approved a prior version of this T. Rowe Price Traditional and Roth Individual Retirement Account Custodial Agreement and approved this particular version on October 30, 2003. Approval by the IRS is a determination as to the form, not the merits, of this IRA.

By properly completing the Application process and electing to open a traditional individual retirement account under section 408 of the Internal Revenue Code of 1986, as amended (“Code”), or a Roth individual retirement account under section 408A of the Code, the individual hereinafter referred to as Investor (“Investor”) establishes a traditional individual retirement custodial account (“Traditional Individual Retirement Account” or “Traditional IRA”) or a Roth individual retirement custodial account (“Roth Individual Retirement Account” or “Roth IRA”), respectively, either or collectively being referred to as “Account” or “IRA” or “T. Rowe Price IRA,” and T. Rowe Price Trust Company (“Custodian”), by accepting the Investor’s Application, accepts custodianship of the Account. For an Investor establishing an IRA, the Account is deemed established for the exclusive benefit of the Investor or the Account's beneficiaries. Separate records will be maintained for the interest of each Investor. The Investor and the Custodian agree that the Account is subject to the terms and conditions of this Agreement, and the Application shall be effective as of the date the Application is accepted by the Custodian.

**ARTICLE I – DEFINITIONS**

Whenever used herein, the following terms will have these meanings, unless otherwise provided herein:

1.1 “Application” means the application process of T. Rowe Price for the establishment of a Traditional or Roth Individual Retirement Account by an Investor (or, if this is an Individual Retirement Account transferred by the beneficiary of a deceased Investor, the beneficiary) and the Custodian establishing this Traditional or Roth Individual Retirement Account, as the Agreement exists when entered into by the Investor (or the beneficiary) and the Custodian, or as amended from time to time.

1.2 “Code” means the Internal Revenue Code of 1986 or any recodification of the revenue laws of the United States of America in effect at the time of the transaction at issue. Reference to a section of the Code includes that section and any comparable section of any future legislation that amends, supplements, or supersedes that section.

1.3 “Compensation” means wages, salaries, professional fees, other amounts derived from or received for personal services actually rendered (including, but not limited to, commissions paid to salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and earned income, as defined in section 401(c)(2) of the Code (reduced by the deduction the self-employed individual
takes for contributions to a self-employed retirement plan and the deduction for one-half of self-employment taxes). For purposes of this definition, section 401(c)(2) of the Code shall be applied as if the term trade or business includes service by members of certain religious faiths, as described in section 1402(c)(6) of the Code. Compensation also includes any amounts includable in gross income under section 71 of the Code with respect to a divorce or separation instrument described in section 71(b)(2)(A) of the Code. Compensation does not include amounts derived from or received as earnings or profit from property (including, but not limited to, interest and dividends) or amounts not includable in gross income. Compensation does not include any amount received as a pension or annuity or as deferred compensation.

1.4 “Custodial Agreement” means all the provisions of this document.

1.5 “Custodian” means T. Rowe Price and its successors in interest resulting from its merger, consolidation, or other reorganization; or any other bank or other financial institution affiliated with or designated by the Sponsor which is qualified to be a custodian of individual retirement accounts pursuant to section 408 of the Code and which accepts an Investor's Application and thereby custodianship of the Investor's Account.

1.6 “Designated Beneficiary” means the beneficiary, former beneficiary, or beneficiary of a trust who is considered the designated beneficiary, as of September 30 of the year following the Investor's death, of a Traditional or Roth IRA established under this Custodial Agreement, as determined under section 1.401(a)(9)-4 of the Treasury Regulations.

1.7 “Investor” means the individual who completes the Application process and adopts this Custodial Agreement as the Investor's Traditional or Roth Individual Retirement Account. Such Investor may be an individual who elects to make annual contributions to a Traditional or Roth IRA as provided in Article II, an individual who elects to make a rollover contribution or custodian-to-custodian transfer as provided in Article III, a surviving spouse of a deceased Investor who elects, as provided in Article V, to have the IRA treated as the surviving spouse's own account, or a spouse or former spouse of the Investor to whom the Investor's interest in the IRA is transferred under a valid divorce decree or under a written instrument incident to such a divorce decree.

1.8 “Modified Adjusted Gross Income” or “Modified AGI” (“MAGI”) means an Investor's adjusted gross income as defined in section 219(g)(3) of the Code but excluding any amount included in adjusted gross income as a result of a rollover from a Traditional IRA to a Roth IRA, and, solely for purposes of determining whether an Investor is eligible to roll over a Traditional IRA to a Roth IRA for years after 2004, excluding required minimum distributions under sections 401(a)(9), 408(a)(6), 403(b)(10), and 457(d)(2) of the Code.

1.9 “Roth Individual Retirement Account” or “Roth IRA” means a Roth individual retirement account described in section 408A of the Code.

1.10 “SAR-SEP IRA” means a Traditional IRA that is expected to receive salary reduction Simplified Employer Pension (“SAR-SEP”) plan contributions from an employer. However, annual contributions from an Investor may also be accepted.

1.11 “SEP-IRA” means a Traditional IRA that is expected to receive Simplified Employer Pension (“SEP”) or salary reduction Simplified Employer Pension (“SAR-SEP”) contributions from an employer. However, annual contributions from the Investor may also be accepted.

1.12 “SIMPLE IRA” means a Traditional IRA to which an eligible employer may make contributions in accordance with the Simple Retirement Account provisions of section 408(p) of the Code. A SIMPLE IRA is subject to additional restrictions on rollovers to other Traditional IRAs and conversions to Roth IRAs and may be subject to a higher penalty tax for premature distributions. SIMPLE IRAs are established under and governed by a separate T. Rowe Price IRA document.
1.13 “Sponsor” means T. Rowe Price and its successors in interest.

1.14 “Taxable Year” means the Investor's taxable year for federal income tax purposes.

1.15 “Traditional Individual Retirement Account” or “Traditional IRA” means an individual retirement account described in section 408(a) of the Code, which is not a Roth Individual Retirement Account or a Simple IRA. At T. Rowe Price, a Traditional Individual Retirement Account may consist of several types, including a Traditional Rollover IRA, a SEP-IRA (including a SAR-SEP IRA), and a SIMPLE IRA. SIMPLE IRAs are established under a separate T. Rowe Price custodial agreement.

1.16 “Traditional Rollover IRA” means a Traditional IRA that is expected to receive rollover contributions. However, annual contributions from the Investor may also be accepted.

ARTICLE II – CONTRIBUTIONS

2.1 Annual Contributions to Traditional IRAs. An individual who has Compensation may be an Investor eligible to make annual contributions to a Traditional IRA established under this Custodial Agreement. Except in the case of a rollover contribution or transfer as described in Article III, contributions to IRAs and individual retirement annuities described in section 408(b) of the Code by or on behalf of an Investor must be in cash and may not exceed in the aggregate for a Taxable Year, the lesser of the dollar limit under section 219(b)(1)(A) of the Code or an amount equal to the Compensation includable in the Investor's gross income for such Taxable Year. However, if, for a Taxable Year, the Investor is married, filing a joint federal income tax return, and has Compensation lower than the Compensation of the Investor's spouse reduced by such spouse's contributions to his or her IRAs and individual retirement annuities described in section 408(b) of the Code, then such net Compensation of the Investor's spouse shall be added to the Investor's Compensation in the preceding sentence. No Traditional IRA annual contributions may be made under this Custodial Agreement with respect to the Taxable Year in which the Investor attains age 701⁄2 nor with respect to any subsequent year.

At the date this Agreement was written, the dollar limits under section 219(b)(1)(A) of the Code were as follows:

<table>
<thead>
<tr>
<th>Taxable Years Beginning</th>
<th>Under Age 50</th>
<th>Age 50 to 70 1/2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002–2004</td>
<td>$3,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>2005</td>
<td>$4,000</td>
<td>$4,500</td>
</tr>
<tr>
<td>2006–2007</td>
<td>$4,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>2008–2010*</td>
<td>$5,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>2011 and later</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

* For Taxable Years beginning in 2009 and 2010, the $5,000 limit and the $5,000 portion of the $6,000 limit are to be adjusted by the Secretary of the Treasury for cost-of-living increases, rounded to the next lower multiple of $500.

2.2 Annual Contributions to Roth IRAs.

(a) An individual who has Compensation may be an Investor eligible to make annual contributions to a Roth IRA established under this Custodial Agreement. Except in the case of a rollover contribution as described in Article III, contributions by or on behalf of an Investor must be in cash and the aggregate of such contributions to all
Roth IRAs maintained by the Investor may not exceed for a Taxable Year the lesser of:
(i) the dollar limit under section 219(b)(1)(A) of the Code, reduced by the Investor's contributions to Traditional IRAs and individual retirement annuities for such Taxable Year; or (ii) an amount equal to the Compensation includable in the Investor's gross income for such Taxable Year, reduced by the Investor's contributions to Traditional IRAs and individual retirement annuities for such Taxable Year. However, if, for a Taxable Year, the Investor is married, filing a joint tax return, and has Compensation lower than the Compensation of the Investor's spouse reduced by such spouse's contributions; then such net Compensation of the Investor's spouse shall be added to the Investor's Compensation in the preceding sentence.

See chart in Section 2.1 for the dollar limits under section 219(b)(1)(A) of the Code.

(b) Notwithstanding Section 2.2(a), the dollar limitation on annual contributions described in the chart in Section 2.1 is gradually reduced to $0 for the Investor and the Investor's spouse if his, her, or their Modified Adjusted Gross Income exceeds certain levels, as required by section 408A(c)(3) of the Code in accordance with the following table:

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Full Contribution</th>
<th>Phase-Out Range</th>
<th>No Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single or Head of Household</td>
<td>$95,000 or less</td>
<td>Between $95,000 and $110,000</td>
<td>$110,000 or more</td>
</tr>
<tr>
<td>Joint Return or Qualified Widow(er)</td>
<td>$150,000 or less</td>
<td>Between $150,000 and $160,000</td>
<td>$160,000 or more</td>
</tr>
<tr>
<td>Married-Separate Return</td>
<td>$0</td>
<td>Between $0 and $10,000</td>
<td>$10,000 or more</td>
</tr>
</tbody>
</table>

If the individual's Modified Adjusted Gross Income for a Taxable Year is in the phase-out range, the maximum regular contribution determined under this table for that Taxable Year is rounded up to the next multiple of $10 and is not reduced below $200.

2.3 **Time Contribution Deemed Made.** An Investor shall be deemed to have made an annual contribution for the preceding Taxable Year if the contribution is made on account of such Taxable Year as designated in writing at the time of the contribution and the contribution is made not later than the time prescribed by law for filing the federal income tax return for the Taxable Year (not including extensions thereof).

2.4 **Excess Annual Contributions.** In the event the limitations set forth in Section 2.1 or 2.2 are exceeded in any Taxable Year, the amount of any excess contribution (adjusted for earnings or losses of such excess contribution if received by the Investor on or before the due date (including extensions) of the Investor's tax return for such Taxable Year) shall be returned to the Investor promptly upon request made to the Custodian in the form or manner acceptable to it. Excess contributions shall be returned in cash. In the absence of direction from the Investor, the Custodian shall have complete discretion to liquidate assets of the Account necessary to return any excess contribution in cash. The Custodian shall have no responsibility for determining whether any contribution is in excess of the above limit, whether any contribution is allowable as a deduction, whether any excess contribution is returned in time to avoid any adverse tax consequences, or for notifying the Investor of any excess contributions. The Custodian's responsibility is limited to the administration, in accordance with the terms of this Custodial Agreement, of contributions actually received by it.
2.5 **Simplified Employee Pension Contributions.** An individual who is eligible to receive an allocation of contributions under a Simplified Employee Pension (or salary reduction Simplified Employee Pension) from his or her employer may be an Investor eligible to have such employer contributions made to a Traditional IRA established under this Custodial Agreement. Any Simplified Employee Pension contributions by an employer must be in cash and may not exceed the lesser of the percentage specified in section 402(h)(2)(A) of the Code (25% before 2011 and 15% after 2010) of the Investor's compensation from the employer or the dollar limit under section 402(h)(2)(B) of the Code ($40,000 for 2002). Simplified Employee Pension contributions for any year shall be made on or before the due date for the employer's federal income tax return for such year (including extensions). The Investor's employer and the Investor are responsible for assuring that Simplified Employee Pension contributions are within the limits under the Code and that the employer's Simplified Employee Pension program meets the requirements of section 408(k) of the Code. The Investor shall, if requested by the Custodian, deliver a written statement to the Custodian of compliance with the contribution limits and conformity of the employer's Simplified Employee Pension program with section 408(k) of the Code.

2.6 **No SIMPLE IRA Contributions by Investor.** The Investor may not make, or cause to be made, and the Custodian will not accept, any contributions under a SIMPLE IRA plan established by any employer pursuant to section 408(p) of the Code. Also, no transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, the IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the two-year period beginning on the date the individual first participated in that employer's SIMPLE IRA plan.

**ARTICLE III – ROLLOVER CONTRIBUTIONS AND TRANSFERS**

3.1 **Rollover Contributions to Traditional IRAs.** The Investor may make qualified rollover contributions to a Traditional IRA only as described in section 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3), or 457(e)(16) of the Code.

3.2 **Rollover Contributions to Roth IRAs.** The Investor may make qualified rollover contributions to a Roth IRA only as described in subsections (e) and (f) of section 408A of the Code and, for years after 2006, as described in section 402A(c)(3) of the Code. An Investor may not make a qualified rollover contribution to a Roth IRA from an individual retirement plan (as defined in section 7701(a)(37) of the Code) other than a Roth IRA for a Taxable Year if the Investor's MAGI for such year exceeds $100,000 or the individual is married and together the individual and the individual's spouse have modified AGI in excess of $100,000, or if for such year the Investor is a married individual filing a separate return and is not treated as not married under section 219(g)(4) of the Code.

3.3 **Transfer of Assets to Traditional IRAs - Receipt by Custodian.** The Investor may transfer assets to a T. Rowe Price Traditional IRA held on behalf of the Investor from a trustee or custodian of another Traditional IRA held on behalf of the Investor.

3.4 **Transfer of Assets to Roth IRAs - Receipt by Custodian.** The Investor may transfer assets to a T. Rowe Price Roth IRA held on behalf of the Investor from a trustee or custodian of another Roth IRA held on behalf of the Investor. The Investor may also accept a transfer of assets to a T. Rowe Price Roth IRA held on behalf of the Investor from a trustee or custodian of a Traditional IRA held on behalf of the Investor. The Investor may not effect such a transfer from a Traditional IRA in a Taxable Year if the Investor's MAGI for such year exceeds $100,000 or the individual is married and together the individual and the individual's spouse have modified AGI in excess of $100,000, or if for such year the Investor is a married individual filing a separate return and is not treated as not married under section 219(g)(4) of the Code.

3.5 **Delivery by Custodian.** At the written request of the Investor, the Custodian may, in the form or manner acceptable to it, transfer assets in a T. Rowe Price Traditional IRA or a
T. Rowe Price Roth IRA directly to the trustee or custodian of another Traditional IRA or a Roth IRA, respectively, established on behalf of the Investor or, as provided in section 408(d)(6) of the Code, to a Traditional IRA, or a Roth IRA respectively, established on behalf of the Investor’s spouse or former spouse incident to divorce.

3.6 Amount of Rollover Contributions From Employer Plans. The Investor may make, or cause to be made, and the Custodian may accept, a rollover contribution to a T. Rowe Price Traditional IRA of all or any portion of an eligible rollover distribution as defined in section 402(c)(4) of the Code. The transfer of any portion of the proceeds from the sale of property received in an eligible rollover distribution, as provided in section 402(c)(6) of the Code, shall be treated as the transfer of property received in such distribution. The rollover contribution of all or any portion of a distribution may be from the Investor or directly from an eligible retirement plan as defined in section 402(c)(8)(B) of the Code. If the Investor actually receives amounts to be rolled over pursuant to this Custodial Agreement, the rollover contribution must be made within 60 days following the day on which the Investor receives the eligible rollover distribution. Notwithstanding anything herein to the contrary, as provided under sections 402(c)(4), 403(a)(4)(B), 403(b)(8)(B), 408(d)(3)(E), and 457(e)(16)(B) of the Code, the portion of a distribution that is a required minimum distribution may not be a rollover contribution. Further, as provided in such sections, a distribution paid over a life or life expectancy or a specified period of 10 years or more or a hardship distribution may not be a rollover contribution.

3.7 Composition of Rollover Contributions. The Investor may make, or cause to be made, rollover contributions to the Custodian in cash or kind; provided, however, if the rollover contribution is made in kind, it must consist of the identical assets which were paid or distributed to the Investor in the distribution. Contributions in kind will be credited to the Investor's Account at their fair market value at the time of the rollover contribution.

3.8 Acceptance of Rollover Contributions and Transfers. The Custodian reserves the right to impose conditions on or to reject any contribution or transfer in kind that the Custodian, in its sole discretion, determines would impose potential liabilities or undue burden on the Custodian. The Custodian may impose a fee for the evaluation and review of any proposed contribution or transfer in kind. Rollovers and transfers will not be allowed of loans to the Investor, life insurance, or collectibles not allowed as investments under Section 4.5.

3.9 Recharacterization Transfers by Investor. Subject to the conditions in Section 3.8, the Investor may cause to be made, and the Custodian may accept, a custodian-to-custodian transfer from a Traditional or Roth IRA that is a recharacterization described in section 408A(d)(6) of the Code and section 1.408A-5 of the regulations. If such recharacterization is of an annual contribution, it must be within the dollar limits of Section 3.1.

3.10 Custodian-to-Custodian Transfers by Beneficiary. Subject to the conditions in Section 3.8, the beneficiary of an IRA which was established by an Investor who is now deceased, may cause to be made, and the Custodian may accept, a custodian-to-custodian transfer from such IRA to a T. Rowe Price IRA. In such case, the T. Rowe Price IRA shall be established in the name of the deceased Investor. However, the beneficiary currently entitled to receive any distributions from the IRA shall be the person who successfully completes the Application process. The beneficiary currently entitled to receive any distributions from the IRA may, generally, designate a successor beneficiary.

3.11 Excess Rollover Contributions or Transfers. In the event that the requirements set forth in this Article III for a rollover contribution or transfer are not met, the amount of any excess rollover contribution or transfer adjusted for earnings or losses attributable to such excess shall be distributed to the Investor (or the Investor’s beneficiary for a transfer under Section 3.10) promptly upon request made to the Custodian by the Investor (or beneficiary) in writing designating the amount to be distributed. The Custodian shall have no responsibility for determining whether any rollover contribution or transfer has failed to meet the above requirements, whether the attempted rollover or transfer must be included
in the distributee's gross income, whether any excess is distributed in time to avoid any adverse tax consequences, or for notifying the Investor (or the Investor's beneficiary) of the existence of any excess, the Custodian's responsibility being limited to the administration, in accordance with the terms of the Custodial Agreement, of contributions and transfers actually received by it.

ARTICLE IV – INVESTMENTS

4.1 Investment Instructions. The Custodian shall invest and reinvest all contributions, rollovers, and transfers to the Account in accordance with the Investor's directions in the Application and in accordance with any subsequent directions given in the form and manner acceptable to the Custodian by the Investor (or, following the Investor's death, by the Investor's beneficiary). If any investment instructions are unclear in the opinion of the Custodian, or if any contribution exceeds the maximum prescribed for that Taxable Year and is not identified as a rollover contribution, the Custodian may hold or return all or a portion of the contribution, rollover, or transfer uninvested without liability for loss of income or depreciation and without liability for interest, pending receipt of proper instructions or clarification.

4.2 Permissible Investments. Assets in the Account may be invested or reinvested in shares of one or more of the regulated investment companies for which T. Rowe Price Associates, Inc., or any of its affiliates, serves as investment adviser (“Price Fund”) and any other investment permitted under section 408(a) of the Code which the Custodian permits as an investment under this Agreement (“Other Investment Vehicle”). The Investor must provide specific instructions to the Custodian of specific purchases, sales, exchanges, and other transactions in the Account. All such transactions must comply with this Agreement and the current prospectus, or other offering materials, of the investment(s) involved. By giving instructions to the Custodian to invest in a Price Fund, the Investor will be deemed to have acknowledged receipt of the current prospectus for such Price Fund. The Custodian shall execute such instructions promptly; provided, however, that neither the Custodian nor any affiliated company shall be obligated to invest any portion of the Investor's initial contribution to his or her Account until seven calendar days shall have elapsed from the date of acceptance of the Investor's Application by the Custodian.

4.3 Reinvestment of Earnings. All dividends and other distributions received by the Custodian on shares of any Price Fund held in the Account shall be reinvested in additional shares of such Price Fund unless the Investor directs the Custodian, in the form and manner acceptable to the Custodian, to invest such dividends and other distributions in accordance with the Investor's instructions. Dividends, interest, or any other distributions received with respect to Other Investment Vehicles held in the Account shall be reinvested in accordance with the Investor's instructions in the Application or in subsequent instructions furnished to the Custodian in the form and manner acceptable to the Custodian.

4.4 Registration of Assets. All assets held in an Account shall be registered in the name of the Custodian for the benefit of the Investor in the type of IRA designated by the Investor in the Application. The Custodian shall deliver, or cause to be delivered, to the Investor all notices, prospectuses, financial statements, proxies, and proxy solicitation materials relating to the Price Fund shares or Other Investment Vehicles held in the Investor's Account. The Custodian shall not vote any such shares or Other Investment Vehicles except in accordance with instructions received from the Investor in the form and manner acceptable to the Custodian; provided, however, that the Custodian shall, without written direction from the Investor, vote Price Fund shares held in an Investor's Account for which no voting instructions are timely received in the same proportion as Price Fund shares for which voting instructions from such Fund's other shareholders are timely received.

4.5 Impermissible Investments. The Account cannot invest in life insurance contracts or collectibles within the meaning of section 408(m) of the Code. The Account cannot be commingled with other property except in a common trust fund or in a common investment fund. If the IRA acquires collectibles within the meaning of section 408(m) of the
Code, the IRA assets will be treated as a distribution in an amount equal to the cost of such collectibles.

4.6 Responsibility of Custodian. The Custodian shall be entitled to rely completely on investment instructions furnished to it by the Investor and shall have no duty or obligation to question such investment instructions. The Investor acknowledges that the Custodian is not responsible for any loss which results from the Investor's (or, following the Investor's death, the Investor's beneficiary's) exercise of (or failure to exercise) investment control.

ARTICLE V – DISTRIBUTION RULES

5.1 General Requirements. Subject to the following requirements of this Article, the Investor may elect, in a form and manner acceptable to the Custodian, to have all or any part of the Account distributed to any person or entity designated by the Investor in one or both of the following ways: a single sum payment of all or a part of the IRA, or systematic installment payments taken at least annually.

5.2 Lifetime Required Minimum Distributions From Traditional IRAs. The Investor's entire interest in a Traditional IRA must be, or begin to be, distributed no later than the first day of April following the calendar year in which the Investor attains age 70 1/2 (the “required beginning date”) over the life of the Investor or the lives of the Investor and his or her beneficiary. The required minimum distribution for the year the individual attains age 70 1/2 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. Notwithstanding any provision of this Agreement to the contrary, the distribution of the Investor's interest in the Account shall be made in accordance with the requirements of section 408(a)(6) of the Code and the regulations thereunder, the provisions of which are incorporated by reference.

The amount to be distributed from a Traditional IRA each year, beginning with the calendar year in which the Investor attains age 70 1/2 and continuing through the year of the Investor's death, shall not be less than the quotient obtained by dividing the value of the Traditional IRA as of the end of the preceding year by the distribution period in the Uniform Lifetime Table in Q&A-2 of section 1.401(a)(9)-9 of the Treasury Regulations, using the Investor's age as of his or her birthday in such year. However, if the Investor's sole designated beneficiary is the Investor's surviving spouse and such spouse is more than 10 years younger than the Investor, then the distribution period for such year is determined under the Joint and Last Survivor Table in Q&A-3 of section 1.401(a)(9)-9 of the Treasury Regulations, using the ages as of the Investor's and surviving spouse's birthdays in such year.

If distributions are made from an annuity contract purchased from an insurance company, distributions thereunder must satisfy the requirements of Q&A-4 of section 1.401(a)(9)-6T of the Temporary Income Tax Regulations rather than Sections 5.3, 5.4, and 5.5.

5.3 Required Minimum Distributions From Traditional IRAs Upon Investor's Death Occurring On or After the Investor's Required Beginning Date. If the Investor dies on or after his or her required beginning date, the remaining interest in the Investor's Traditional IRA will be distributed at least as rapidly as follows:

(a) If there is a Designated Beneficiary, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the Investor's death, over the longer of the remaining life expectancy of the Investor or the remaining life expectancy of the Designated Beneficiary. The Investor's remaining life expectancy shall be determined using the Investor's age as of his or her birthday in the year of the Investor's death. The Designated Beneficiary's remaining life expectancy shall be determined using the Designated Beneficiary's age as of his or her birthday in the year following the year of the Investor's death.
(b) If the Investor's sole Designated Beneficiary is his or her surviving spouse and the surviving spouse dies after distributions are required to begin to the surviving spouse, any remaining interest will be distributed over the surviving spouse's remaining life expectancy determined using the surviving spouse's age as of his or her birthday in the year of the surviving spouse's death.

(c) If there is no Designated Beneficiary, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the Investor's death, over the remaining life expectancy of the Investor. The Investor's remaining life expectancy shall be determined using the Investor's age as of his or her birthday in the year of the Investor's death.

The amount to be distributed each year under subsection (a) or (b) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such subsection. Life expectancy is determined using the Single Life Table in Q&A-1 of section 1.401(a)(9)-9 of the Treasury Regulations. If distributions are being made to the surviving spouse as the sole Designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the age specified in subsection (a) or (b) and reduced by one for each subsequent year.

5.4 Required Minimum Distributions From Traditional IRAs Upon Death Occurring Before the Required Beginning Date and From Roth IRAs Regardless of Investor's Date of Death.

Notwithstanding any provision of this Agreement to the contrary, the distribution of the Investor's interest in the Account shall be made in accordance with the requirements of section 408(a)(6) of the Code, as modified by section 408A(c)(5) of the Code, if applicable, and the regulations thereunder. If an Investor dies owning an interest in a Traditional (before required beginning date) or Roth IRA (regardless of required beginning date), the Investor's remaining interest in the IRA will be distributed at least as rapidly as follows:

(a) If the Designated Beneficiary is someone other than the Investor's surviving spouse, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the Investor's death, over the remaining life expectancy of the Designated Beneficiary, with such life expectancy determined using the age of the Designated Beneficiary as of his or her birthday in the year following the year of the Investor's death or, if elected, in accordance with subsection (c) below.

(b) If the Investor's sole Designated Beneficiary is the Investor's surviving spouse, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the Investor's death (or by the end of the calendar year in which the Investor would have attained age 70½, if later) over such spouse's life, or if elected, in accordance with subsection (c) below. If the surviving spouse dies before distributions are required to begin, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the surviving spouse's death, over the surviving spouse's remaining life expectancy determined using the surviving spouse's age as of his or her birthday in the year following the year of the death of the spouse or, if elected, will be distributed in accordance with subsection (c) below. If the surviving spouse dies after distributions are required to begin, any remaining interest will be distributed over the surviving spouse's remaining life expectancy determined using the surviving spouse's age as of his or her birthday in the year of the spouse's death.

(c) If there is no Designated Beneficiary or if applicable by operation of subsections (a) or (b) above, the remaining interest must be distributed by the end of the calendar year containing the fifth anniversary of the Investor's death (or of the surviving spouse's death in the case of the surviving spouse's death before distributions are required to begin under subsection (b)).
(d) The amount to be distributed each year under subsection (a) or (b) is the quotient obtained by dividing the value of the IRA as of the end of the preceding year by the remaining life expectancy specified in such subsection. Life expectancy is determined using the Single Life Table in Q&A-1 of section 1.401(a)(9)-9 of the Treasury Regulations. If distributions are being made to a surviving spouse as the sole Designated Beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the beneficiary's age specified in subsection (a) or (b) and reduced by one for each subsequent year.

(e) No amount is required to be distributed prior to the death of the individual for whose benefit the Roth IRA account was originally established.

5.5 General Rules Applicable to Required Minimum Distributions Under Sections 5.2, 5.3, and 5.4.

(a) The value of the IRA includes the amount of any outstanding rollover, transfer, and recharacterization under Q&As-7 and -8 of section 1.408-8 of the Treasury Regulations.

(b) If the sole Designated Beneficiary is the Investor's surviving spouse, the surviving spouse may elect to treat the IRA as his or her own IRA. This election will be deemed to have been made if such surviving spouse makes any contributions, rollovers, or transfers to the IRA or fails to take required minimum distributions as a beneficiary.

(c) Distributions shall be required to be made under Section 5.2, 5.3, or 5.4, as applicable, only to the extent that sections 401(a)(9)(A), 401(a)(9)(B), 408(a)(6), 408(b)(3), and 408A(c)(5) of the Code, and any other applicable guidance issued by the IRS, the provisions of which are herein incorporated by reference, require such distributions to be made.

5.6 Aggregation of Certain IRAs for Purposes of Required Minimum Distributions. An Investor may choose to satisfy the minimum distribution requirements described above and under sections 408(a)(6), 408(b)(3), and 408A(c)(5) of the Code by receiving a distribution from one or more IRAs that is equal to the amount required to satisfy the minimum distribution requirements for two or more IRAs of the same type. An Investor (or an Investor's beneficiary, if applicable) may not receive a distribution from one type of IRA to satisfy the minimum distribution requirements for one or more IRAs of a different type. For this purpose, the different types of IRAs are Roth IRAs and Traditional IRAs (including a SEP-IRA, a SAR-SEP IRA, and a SIMPLE IRA). Also, an IRA owned by an Investor is not the same type of IRA that an individual inherits as a beneficiary of a particular IRA owner. Accordingly, if an Investor or an Investor's beneficiary fails to elect one of the described methods of distribution before the required beginning date, the Custodian will assume the Investor (or, following the Investor's death, the Account's beneficiary) has received the required minimum distribution from another IRA of the same type.

5.7 Responsibility of Custodian. The Custodian will not assume any responsibility to make any distribution from the Account except at the direction of the Investor (or, following the Investor's death, the Account's beneficiary). Furthermore, the Custodian shall have no responsibility for the tax consequences of any distribution, or the failure to elect any distribution, from the Account; such responsibility is solely that of the Investor (or the Account's beneficiary, if applicable).

5.8 Beneficiary Designation. The Investor may name and change his beneficiary or beneficiaries for each type of IRA by clearly indicating such to the Custodian prior to the Investor's death in the form or manner acceptable to the Custodian. If no such designation is in effect at the time of the Investor's death, the beneficiary shall be the Investor's surviving spouse or, if there is no surviving spouse, the estate of the Investor. If the beneficiary of a
The deceased Investor’s IRA has not filed a written beneficiary designation for the beneficiary’s share of the deceased Investor’s IRA with the Custodian prior to the time of the beneficiary’s death, then the beneficiary of the Investor’s beneficiary shall be the Investor’s beneficiary’s spouse or, if there is no surviving spouse, the Investor’s beneficiary’s estate. You may name a different beneficiary for each type of IRA you have at T. Rowe Price. The most recent designation you make for a particular type of IRA will apply to all investments in that type of IRA at T. Rowe Price.

**ARTICLE VI – ADMINISTRATION**

6.1 **Duties of the Investor.** In addition to any other duties imposed upon the Investor under this Agreement, the Investor (or, after the Investor’s death, the Investor’s beneficiary) shall have sole responsibility for determining whether any contribution, rollover, transfer, distribution, return of excess contributions, or recharacterization made to or from the Account shall be permitted, including, but not limited to, the responsibility to determine the allowability, maximum amount allowed, deductibility, and tax effect of any contribution, rollover, transfer, distribution, return of excess contributions, or recharacterization made to or from the Account, and the responsibility to instruct the Custodian to make distributions pursuant to Section 2.4, 3.11, and Article V. In the event of an administrative error by the Custodian, the Investor must notify the Custodian of such error within the later of six months or the end of the calendar year in which the administrative error occurred. The Investor agrees to provide, in a form and manner acceptable to the Custodian, any information that may be necessary or helpful for the Custodian to fulfill its duties hereunder, including, but not limited to, the preparation of reports required by the IRS.

6.2 **Custodian Reports.** The Custodian agrees to submit reports to the IRS and to the Investor which contain information, including information concerning required minimum distributions, prescribed by the IRS. Within 60 days after the close of each calendar year, or after the Custodian’s resignation or removal pursuant to Section 9.1, the Custodian shall send to the Investor a written report reflecting the transactions made during such period and the market value of the Account at the close of the period. If, within the time period allotted in Section 6.1 of this Agreement, after receiving such report, the Investor does not object in writing to any specific item in such report, the accounting in such report shall be deemed final, and the Custodian shall, to the extent permitted by applicable law, be forever released and discharged from all liability and accountability with respect to items set forth in such report.

6.3 **Custodian Fees and Expenses.** The Custodian shall be entitled to such fees for maintaining and administering the Account as it may establish from time to time and which may be changed by it at any time upon 30 days written notice to the Investor. All such fees, and all other expenses incurred in maintaining the Account (including, but not limited to taxes, brokerage commissions, and transfer taxes) shall be charged to the Account unless, with the consent of the Custodian, all or part of such fees and expenses are paid by the Investor.

**ARTICLE VII – ADDITIONAL PROVISIONS REGARDING THE CUSTODIAN**

7.1 **Duties of Custodian.** The parties do not intend to confer any fiduciary duties on the Custodian, and none shall be implied. The Custodian shall have no obligation to verify the allowability, maximum amount allowed deductibility, or tax effect of any contribution, rollover, transfer, distribution, return of excess contributions, or recharacterization made to or from the Account on behalf of the Investor. The Custodian may rely conclusively upon and shall be protected in acting upon any written order from the Investor or the Investor’s beneficiary or any other notice, request, consent, or certificate believed by it to be genuine. The Custodian may perform any of its administrative duties through other persons designated by the Custodian from time to time, except that assets must be registered as stated in Section 4.4. No such delegation or future change therein shall be considered as an amendment of this Agreement.
7.2 **Indemnification.** To the extent permitted by applicable law, the Investor shall fully indemnify the Custodian and hold it harmless from any and all liability whatsoever that may arise in connection with this Agreement, except those which arise due to the Custodian’s gross negligence or willful misconduct. The Custodian shall not be obligated or expected to commence or defend any legal action or proceeding in connection with this Agreement unless agreed upon by the Custodian and the Investor and unless the Custodian is fully indemnified for so doing to the Custodian’s satisfaction.

**ARTICLE VIII – AMENDMENT**

8.1 **General.** The Custodian reserves the right to amend the Agreement at any time in any manner that will not cause the Agreement to fail to satisfy the requirements of sections 408 and 408A of the Code. Any amendment by the Custodian shall be effective 30 days after communicated, in writing, to the Investor, and the Investor shall be deemed to have consented thereto unless, within 30 days after such communication is mailed to the Investor, the Investor gives the Custodian a proper order for a lump-sum distribution or a transfer of the entire Account to another trustee or custodian. Thirty days after communication by the Custodian, the most recent version of this Agreement will effectively supersede any prior versions.

8.2 **Exceptions.** This Article shall not be construed to restrict the Custodian’s freedom to agree with the Price Funds upon the terms by which Price Funds or Other Investment Vehicles may be offered or chosen for investment in the Account. Also, this Article VIII shall not be construed to restrict any change in fees made as provided in Section 6.3. No such agreement or change shall be deemed to be an amendment of this Agreement.

**ARTICLE IX – RESIGNATION OR REMOVAL OF CUSTODIAN**

9.1 **General.** The Custodian may resign and appoint a successor custodian at any time upon at least 30 days prior written notice to the Investor. The Investor may remove the Custodian and designate a successor custodian at any time upon at least 30 days prior written notice to the Custodian. Upon such resignation or removal, and upon receipt by the Custodian of written acceptance of its appointment by the successor custodian, which must be a bank or other person qualified to serve as a custodian under section 408 of the Code, the Custodian shall transfer to such successor custodian the assets of the Account and all pertinent records (or copies thereof), provided that (if so requested by the Custodian) such successor custodian agrees not to dispose of any such records without the Custodian’s consent. The Custodian is authorized, however, to reserve a portion of such assets as it may deem advisable for payment for all of its fees, compensation, costs, expenses, and any other liabilities constituting a charge on or against the assets of the Account or on or against the Custodian, with any balance of such reserve remaining after the payment of all such items to be paid over to the successor custodian. If, by the effective date of the Custodian’s resignation or removal, or such later date as the Custodian may agree to, the Investor or Custodian has not appointed a successor custodian which has accepted such appointment, the Custodian shall terminate the Account pursuant to Article X.

9.2 **Responsibility of Custodian.** After the Custodian has transferred the Account assets (including any reserve balance as contemplated above) to the successor custodian (or terminated such Account), the Custodian shall be relieved of all further liability with respect to this Agreement, the Account, and the Account assets.

9.3 **Responsibility of Successor Custodian.** No successor custodian appointed pursuant to Section 9.1 shall be liable or responsible for any act or default of any predecessor custodian, nor shall any successor custodian be required to inquire into or take any notice of the prior administration of the Account.
ARTICLE X – TERMINATION OF ACCOUNT

10.1 General. The Investor may terminate the Account at any time upon prior written notice to the Custodian. The Custodian shall terminate the Account if, by the effective date of the Custodian’s resignation or removal, neither the Investor nor the Custodian have appointed a successor custodian which accepted such appointment. Termination of the Account shall be effected by distributing all assets thereof to the Investor (or, after the Investor’s death, to the Account’s beneficiary) in a form and manner acceptable to the Custodian, subject to the Custodian’s right to reserve assets as provided in Section 9.1.

10.2 Responsibility of Custodian. Upon termination of the Account, this Agreement shall terminate and have no further force and effect, and the Custodian shall be relieved from all further liability with respect to this Agreement, the Account, and all assets thereof so distributed.

ARTICLE XI – MISCELLANEOUS

11.1 Governing Law. Generally, this Agreement shall be construed and enforced according to the laws of the State of Maryland. However, for issues and/or disputes concerning beneficiaries’ entitlement to assets contained in an Investor’s IRA (e.g., qualified disclaimers under section 2518 of the Code, determinations in the event of simultaneous deaths, or community property rights), this Agreement may, in the sole discretion of the Custodian, be construed and enforced according to the laws of the state of permanent residence of the Investor.

11.2 Construction. It is the intention of the Custodian and the Investor that this Custodial Agreement be qualified under the provisions of section 408 and/or section 408A of the Code, as applicable and all provisions hereof should be construed for that result.

11.3 Gender; Plural. Whenever used in this Agreement, personal pronouns are deemed to mean masculine and feminine. The singular form, whenever used herein, shall mean or include the plural form where applicable, and vice versa.

11.4 Notices. Any notice, accounting or other communication that the Custodian may give the Investor shall be deemed given when mailed to the Investor at the Investor’s address on record with the Custodian. All notices the Investor is required to give to the Custodian shall be deemed given when received by the Custodian.

11.5 Enforceability. If any provision of this Agreement shall be for any reason invalid or unenforceable, the remaining provisions shall, nevertheless, continue in effect and shall not be invalidated thereby unless they are rendered unconscionable, inadequate, or incapable of being interpreted as a result of the deletion of the invalid or unenforceable portions of the Agreement.

11.6 Exclusive Benefit; Nonforfeitability. The Account has been created for the exclusive benefit of the Investor and the Account’s beneficiaries. The interest of the Investor in the Account shall at all times be nonforfeitable, but shall be subject to the fees, expenses, and charges described in Sections 6.3, 9.1, and 10.1.

11.7 Prohibition Against Assignment. Other than as provided in Sections 6.3, 9.1, and 10.1, no interest, right, or claim in or to any portion of the Account or any payment therefrom shall be assignable, transferable, or subject to sale, mortgage, pledge, hypothecation, commutation, anticipation, garnishment, attachment, execution, or levy of any kind. The Custodian shall not recognize any attempt to do any of the above, except to the extent required by law (e.g. divorce or separation orders under section 71(b)(2) of the Code and certain valid child support orders).

11.8 Titles and Headings Not to Control. The titles to Articles and the headings of Sections in this Agreement are placed herein for convenience of reference only, and in the event of a conflict, the text of the Agreement, rather than such title or headings, shall control.