Individual Retirement Accounts (IRAs) - Traditional and Roth

To establish a Traditional or Roth IRA, you must make an initial deposit of $10 to an Accumulation IRA account or $500 to an IRA Share Certificate.

The Accumulation IRA is a variable rate account, and rates are subject to change daily at our discretion.

Share Certificate IRAs are available in 30-day to 60-month terms. (See **Share Certificates** for disclosures applicable to certificate-type IRAs.)

Additional Deposits: Additional deposits for current and prior year contributions are allowed on all Accumulation IRAs and IRA Share Certificates at any time during their term with no required minimum deposit amount. The 30-day to 23-month IRA Share Certificates can receive rollover or transfer deposits at any time during the term. Rollover and transfer deposits to other Share Certificates can occur only during the 10-day grace period.

Contributions: We will credit any contributions made through the mail, by automatic transfer or Online Banking for the year in which the transaction takes place. If you want contributions applied for a prior year (before the tax filing deadline of the current year, generally April 15), please contact us to obtain the written contribution form. Maximum annual contributions are determined by IRS regulations.

Distributions: Certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early. We will waive certificate penalties for early withdrawals for (1) normal distributions from an IRA Share Certificate Account with a term of 23 months or less, (2) all automatic, normal distributions from an IRA Share Certificate Account with a term of 24 months or longer, and (3) Required Minimum Distributions based on the balance of the SchoolsFirst FCU IRA Share Certificate Account. (Normal distributions are defined as withdrawals, made by you from an IRA, after age 59 ½, that are not reinvested in another retirement account; automatic, normal distributions are defined as withdrawals made from an IRA by SchoolsFirst FCU on your behalf, after age 59 ½, that are not reinvested in another retirement account. Required Minimum Distributions are defined as the amount you are required to withdraw from your IRA each year beginning the year you turn age 73.) All automatic, normal distributions and Required Minimum Distributions from IRAs are processed on the first business day of each month.

Rate Upgrades: Members over 59½ years of age who have IRA certificates with terms of 23 months or less are permitted to upgrade their rate, if a higher rate is available for the same term, once every 12 months without incurring penalties or changing the current maturity date.

Coverdell Education Savings Accounts (ESA)

To establish an ESA, you must make a minimum initial deposit of $100 to a 12-Month ESA Share Certificate. (See **Share Certificates** for disclosures applicable to all our Share Certificate accounts.)

Additional Deposits: Additional deposits are allowed at any time.

Contributions: We will credit any contributions made through the mail or automatic transfer for the year in which the transaction takes place. The maximum annual contribution is determined by IRS regulations.

Distributions: Qualified distributions are tax-free. Nonqualified distributions are subject to certain state and federal penalties. SchoolsFirst FCU will waive certificate penalties for qualified distributions.

Deferred Compensation Plans (DCP)

Deferred Compensation Plans (DCP) are retirement programs defined by Section 457(b) of the IRS code. These plans are legally available only to current employees of eligible public units. Your school district must elect to participate in this plan before we can offer it to you. Among the investment vehicles available for eligible DCP programs, you may choose a 12-, 36- or 60-month Share Certificate. (See **Share Certificates** for disclosures applicable to Share Certificates.)

Contributions: There is no minimum opening balance requirement. Payroll contributions of $50 or more can be made to DCP Share Certificates through your payroll department. Maximum annual contributions are determined by IRS regulations.

Distributions: We will waive early withdrawal dividend penalties for (1) normal distributions from a DCP 12-Month Share Certificate, and (2) all automatic, normal distributions from a DCP 36- or 60-Month Share Certificate. Normal distributions are defined in your DCP Plan Agreement. Automatic, normal distributions are defined as withdrawals made from a DCP that consist of substantially equal periodic payments, made by SchoolsFirst FCU on your behalf that are not reinvested in another SchoolsFirst FCU DCP account. All automatic, normal distributions are processed on the first day of each month.

Simplified Employee Pension (SEP)

Additional Deposits: Additional deposits for current and prior year contributions are allowed on all Accumulation SEP IRA's and SEP Share Certificates at any time during their term with no required minimum deposit amount.

Contributions: We will credit any contributions made through the mail for the year in which the transaction takes place. If you want contributions applied for a prior year (before tax filing deadline of the current year, generally April 15), please send written instructions with your deposit. Maximum annual contributions are determined by IRS regulations.

Distributions: Certain federal and state penalties may apply if funds (including dividends earned on SEP IRA funds) are withdrawn early. We will waive certificate penalties for early withdrawals for (1) normal distributions from a SEP IRA Certificate Account with a term of 23 months or less, (2) all automatic, normal distributions from a SEP IRA Share Certificate with a term of 24 months or longer, (3) Required Minimum Distributions from a SEP IRA Share Certificate Account. All automatic, normal distributions and Required Minimum Distributions from the SEP IRA are processed on the first business day of each month.

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Account Disclosure for Share Certificates, Individual Retirement Accounts and Deferred Compensation Plans

Applying to SchoolsFirst FCU Member Accounts

April 2025

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Dividends

On all SchoolsFirst Federal Credit Union accounts, dividends are computed on the actual dollar amount in the account. Dividends begin to accrue on funds from the date they are deposited to the date they are withdrawn. We use the daily balance method of computation, which means a daily periodic rate is applied to the balance (principal plus accrued dividends) of your account each day. The daily periodic rate is 1/365 of the annual dividend rate.

The dividend period for all SchoolsFirst FCU accounts is the calendar month. For example, the beginning date of the first dividend period of the calendar year is Jan. 1 and the ending date of such dividend period is Jan. 31. Dividends are compounded daily and paid to your account monthly. For certificate accounts, dividends are also paid on the final maturity/transfer date.

The dividend rate on Regular, Jumbo, IRA and DCP Share Certificates is set for the term and is based on the initial opening balance.

The dividend rate on the 12-Month College Saver Share Certificate is set for the term and is based on the dividend rate offered for the $50,000 tier on our Regular 12-Month Share Certificate.

To obtain the maximum benefit of compounding, dividends are posted to the account upon which the dividends are earned. However, for Share Certificate accounts, we can transfer dividends to your Regular Share Savings or Share Draft Checking accounts or mail dividends to you by check, upon your request. The annual percentage yield (APY) quoted on all accounts assumes dividends remain in the account until maturity. Withdrawal of dividends will reduce your earnings below the stated APY.

If you close any share account prior to the end of the dividend posting period, we will pay dividends at the declared rate up to the day of the withdrawal. Share Certificate accounts are subject to early withdrawal penalties. (See "Penalties" section.)

The Board of Directors declares dividends monthly based on current income and available earnings after providing for required reserves.

For specified rates for each type of dividend bearing account, refer to the Dividend Rates & Terms sheet provided with this Account Disclosure, which is incorporated by this reference.

Share Certificates

Share certificate accounts are available with terms from 30 days to 60 months.

In addition, we offer a 12-Month College Saver Share Certificate that is available as part of the Junior Varsity and Varsity Clubs for Members under 18 years of age and for accounts established under the Uniform Transfers to Minors Act (UTMA) or under California's Coogan Trust Account law (Family Code, Sections 6750-6753). One College Saver Share Certificate is allowed per minor.

College Saver Share Certificates opened under Junior Varsity and Varsity accounts have the following ownership and signature requirements: Must have a parent/legal guardian joint owner; the parent/guardian signature is required for withdrawals; if there is more than one adult joint owner, the signatures of two adult joint owners are required for withdrawals; after the minor reaches age 18, any two signatures are required for withdrawals. Share Certificates opened under a UTMA require the signature of the UTMA Custodian only; withdrawals are prohibited on accounts opened under California's Coogan Trust Account vesting.

My Home Savings Share Certificate are available to existing Members who are buying a home and participating in the SchoolsFirst FCU Home360® program; limit one per Membership. This is a fixed rate Share Certificate with a term of 12 months.

We also offer Paycheck Planner Share Certificates which are available to all school employees. This share is designed to assist school employees in distributing their payroll over 12 months. Paycheck Planner participants have a percentage of their monthly earnings automatically deposited in their Paycheck Planner Share Certificates each pay period. The participant must have payroll direct deposit to SchoolsFirst FCU. Paycheck Planner Share Certificates are variable rate shares. Rates are subject to change daily, at our discretion.

Minimum Opening Balances: The following minimum deposits are required to open our Share Certificates. Please refer to our separate rate sheet for current dividend rate and annual percentage yield (APY) information. There may be other minimum balance requirements to earn the stated APY. See "Penalties" below if minimum balance is not maintained.

Regular/IRA – $500
Jumbo/Jumbo IRA – $100,000
12-Month College Saver – $200*
My Home Savings - $250
Paycheck Planner – $0

*Junior Varsity, Varsity, UTMA, and Coogan Trust accounts only.

Deposits to Paycheck Planner Share Certificates must be funded through payroll direct deposit and will be the set percentage of your monthly earnings as calculated to annualize your payroll. You can establish a Paycheck Planner at any time, except when the share is closed due to an early withdrawal; a new share may not be opened until the following school year. Deposits made to a Paycheck Planner established after May 1 will be credited toward the following school year.

Renewals: Upon expiration of the term, we will automatically renew all Share Certificates for the same term unless:

- You give us advance written notice to do otherwise.
- You withdraw or transfer your account within the 10-day grace period beginning on your maturity date.
- The Share Certificate is a 12-Month College Saver Share Certificate and you have reached 18 years of age.
- The Share Certificate is a promotional certificate. Promotional certificates will mature into a standard term certificate.
- You withdraw the balance in your Paycheck Planner Share Certificate to $0.

Dividends continue to accrue during the 10-day grace period at the new rate.

When your 12-Month College Saver Share Certificate matures after your 18th birthday, the certificate will convert to a Regular 12-Month Share Certificate, or if the balance is less than $500, the certificate will convert to a Share Savings account. The dividend rate will be based on the rate offered on applicable Share Savings accounts or Regular 12-Month Share Certificates, and the Share Certificate balance on the date it is converted. The new share will be subject to all terms and conditions of the applicable Share Savings or Regular Share Certificate accounts. The share ownership (Member and parent/guardian joint owner, UTMA custodian, or Coogan Trust Account Trustee(s)) and the signature restrictions continue on the new share.

My Home Savings Share Certificates are non-renewing accounts. At maturity the account is closed and the balance is automatically transferred to your primary share account.

Funds in your Paycheck Planner will transfer to your specified SchoolsFirst FCU share account(s) on your designated transfer date(s). School employees paid on a 10-month schedule will have transfer dates on the 10th, 20th or 30th in June and July, July and August, or August and September. Transfer amounts will be 50% of the Paycheck Planner balance on the first transfer date and the remaining balance on the second transfer date. School employees paid on an 11-month schedule will have a single maturity/transfer date on the 10th, 20th or 30th in June, July or August.

A minimum balance of $0.01 is required to keep a Paycheck Planner Share Certificate open for the following school year.

Additional Deposits: Deposits to Regular and Jumbo Share Certificates can be made only during the 10-day grace period that begins upon the maturity of the share certificate. Additional deposits to the 12-Month College Saver can be made at any time during the term.

Paycheck Planner Share Certificates permit a one-time deposit outside of direct deposit to be made per school year, up to a maximum of $3,000.

My Home Savings Share Certificate allow additional deposits up to the maximum balance of $150,000.

See **Individual Retirement Accounts (IRAs) - Traditional and Roth** for additional deposits to IRAs. See **Coverdell Education Savings Accounts (ESA)** for additional deposits to ESAs. Deposits to the 12-Month College Saver Share Certificate can be made at any time, in the amount of $25 or more. The maturity date and dividend rate will not be affected by deposits. Promotional certificates offered from time to time may allow additional deposits; in that case, you will be informed of any additional deposit limitations.

Penalties: Early withdrawal of any principal amount during a certificate will result in a fee or a forfeiture of earned or projected dividends as follows:

- If your Share Certificate has a term of 30 days or less, you will be charged an amount equal to 30 days of dividends on the principal amount withdrawn.
- If your Share Certificate has a term that is greater than 30 days but less than 18 months, you will be charged an amount equal to 90 days dividends on the principal amount withdrawn.
- If your Share Certificate has a term of 18 months or more, you will be charged an amount equal to 180 days dividends on the principal amount withdrawn.
- Partial withdrawals are not permitted on the Paycheck Planner or the My Home Savings, will result in closure of the Share Certificate and a penalty equal to 90 days loss of dividends. My Home Savings penalties will be waived for withdrawals used for a home purchase with SchoolsFirst FCU.

If you withdraw funds within the first six days from initial deposit, you will be charged no less than seven days of dividends on amounts withdrawn.

Penalties may reduce the principal balance for early withdrawals made.

Early withdrawal penalties are based on the dividend rate in effect at the time of withdrawal.

We will waive early withdrawal penalties for any of the following:

- A one-time withdrawal made as a result of your death or permanent disability that occurs after the certificate is opened.
- You are declared legally incompetent by a court or other administrative body of competent jurisdiction.
- Withdrawals made as a result of the voluntary or involuntary liquidation of this Credit Union.
- Normal distributions from IRA Share Certificate accounts. (See **Individual Retirement Accounts** information.)

Grace Period: Renewed Share Certificates have a 10-day grace period beginning on the date of renewal during which a withdrawal may be made without an early withdrawal penalty.

The College Saver Share Certificate can be withdrawn without penalty at age 18 or during the 10-day grace period upon maturity every 12 months. Withdrawals at age 18 or older will result in the College Saver Share Certificate being closed.

Variable Rate Share Certificates: Variable rate Share Certificates may be offered from time to time. The frequency and limitations on rate changes will be disclosed when the Share Certificate is opened.

SchoolsFirst Federal Credit Union

ADDENDUM TO THE APRIL 2025 ACCOUNT DISCLOSURE FOR SHARE CERTIFICATES, INDIVIDUAL RETIREMENT ACCOUNTS AND DEFERRED COMPENSATION PLANS.

This addendum outlines updates to the *Account Disclosure for Share Certificates, Individual Retirement Accounts, and Deferred Compensation Plans* brochure. All changes take effect on November 1, 2026. All other terms and conditions in the April 2025 disclosure remain unchanged.

Deferred Compensation Plans (DCP)
Eligibility is limited to SchoolsFirst FCU Members whose school districts participate in a DCP.

Individual Retirement Accounts (IRA)
To apply an IRA contribution to a prior year, you must submit a completed contribution form or written instructions identifying the applicable contribution year before the current year's tax filing deadline, generally April 15. You may also designate the contribution year when making IRA contributions through Online Banking or Mobile Banking.

My Home Savings Shares
The opening deposit for a My Home Savings Share Certificate may be made at account opening or within 30 calendar days of the opening date. If the share is not funded within 30 calendar days, it will automatically close. Members may open a new My Home Savings Share up to five times per Membership.

How to Reach Us
If you have questions, please contact us at (800) 462-8328. Our representatives are here to serve you Monday – Friday, 7 a.m. – 7 p.m., and Saturday, 9 a.m. – 3 p.m. You can also visit a branch or write to us at SchoolsFirst FCU, P.O. Box 11547, Santa Ana, CA 92711-1547.

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