



# CGM FUNDS DIRECT CONVERSION FORM

## 1. SHAREHOLDER INFORMATION

Name		□□□□-□□□□-□□□□
		Social Security Number
Address		
Daytime Telephone Number		
City	State	Zip Code

## 2. CONVERT YOUR NON-CGM TRADITIONAL, SEP, OR SIMPLE IRA TO A CGM ROTH IRA — Please complete sections A and B.

Complete this section if you have a Traditional, SEP, or SIMPLE IRA at another custodian and want to directly convert part or all of those assets to a CGM Roth IRA.

**A.** To convert your Traditional, SEP, or SIMPLE IRA to a CGM Roth IRA and have the proceeds sent directly to CGM, please call your current custodian's transfer department and verify the correct address and any requirements, such as a Medallion Signature Guarantee.

Name of Current Custodian	Custodian's Telephone Number	
Custodian's Address	IRA Account Number (with this Custodian)	
City	State	Zip Code

- Please accept this as your authorization to:
  Transfer all
 OR
  Transfer \$ or % \_\_\_\_\_ to a CGM Roth IRA  
 The distribution should be processed:
  Immediately
 OR
  Upon maturity of my assets

I request that the above named Custodian or Trustee liquidate and transfer my IRA assets as cash to UMB Bank, n.a., Custodian of my CGM IRA.

Medallion Signature Guarantee:  
**(If required by current Custodian or Trustee)**

\_\_\_\_\_  
 Participant's Signature Date

Name of Firm: \_\_\_\_\_  
 By: \_\_\_\_\_  
 Authorized Individual

**B.** The CGM Roth IRA Account(s) you are converting to:

If you are converting to a new CGM Roth IRA account, indicate the word "New" below. You must also complete a CGM IRA Account Application and submit a \$5 check made payable to UMB Bank, n.a., or to the specific fund in which you are investing.

Fund	Existing Account Number or "New"	\$ Amount or %
Fund	Existing Account Number or "New"	\$ Amount or %
Fund	Existing Account Number or "New"	\$ Amount or %

**CUSTODIAN: MAKE CHECK PAYABLE TO:**  
**UMB Bank, n.a., C/O THE CGM FUNDS, P.O. BOX 8511, BOSTON, MA 02266-8511 (Please include the participant's name and the reference number indicated on CGM's letter of acceptance)**

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## 3. CONVERT YOUR CGM TRADITIONAL OR SEP IRA TO A CGM ROTH IRA — Please complete sections A and B.

Complete this section if you have a CGM Traditional or SEP IRA and want to convert part or all of those assets to a CGM Roth IRA. Please enter the account number(s) and the amount you want to convert.

**A. The CGM Traditional or SEP IRA Account(s) you are converting from:**

Fund	Account Number	\$ Amount or %
Fund	Account Number	\$ Amount or %
Fund	Account Number	\$ Amount or %

**B. The CGM Roth IRA Account(s) you are converting to:**

If you are converting to a new CGM Roth IRA account, indicate the word "New" below. You must also complete a CGM IRA Account Application and submit a \$5 check made payable to UMB Bank, n.a. or to the specific fund in which you are investing.

Fund	Existing Account Number or "New"	\$ Amount or %
Fund	Existing Account Number or "New"	\$ Amount or %
Fund	Existing Account Number or "New"	\$ Amount or %

## 4. WITHHOLDING ELECTION — Please see sections 6 and 7 for more information about withholding.

If you do not check a box for federal tax withholding, 10% will be withheld from your conversion distribution and sent to the IRS.\* In general, you cannot exempt yourself from withholding if payments are delivered outside the United States. If you are a nonresident alien, do not complete this section. Please also note that certain states require mandatory withholding.

Withhold federal income tax at a rate of \_\_\_\_\_% (not less than 10 percent) from the amount withdrawn.\*

Withhold additional federal income tax of \$ \_\_\_\_\_.\*

Effective \_\_\_\_/\_\_\_\_/\_\_\_\_ I elect not to have federal income tax withheld. I understand that I am still liable for the payment of federal income tax on the amount being converted. I also understand that I may be subject to federal income tax penalties under the estimated tax payment rules if my payments of estimated tax and withholding are insufficient.

\*Any percentage or dollar amount withheld from your conversion distribution will not be included in the amount converted to your Roth IRA. If you are under age 59½ the portion that is withheld may be subject to a 10% early distribution penalty, unless you qualify for a penalty exception. Please consult a professional tax adviser for more information.

## 5. RULES AND CONDITIONS APPLICABLE TO CONVERSIONS

- This CGM Funds Direct Conversion Form allows Traditional, SEP, or SIMPLE IRA assets to be converted to a Roth IRA directly between IRA custodians. You as the IRA holder, will **not** be issued a check representing the Traditional, SEP, or SIMPLE IRA assets that you want to convert. The 60 day rollover rule and 12 month roll-over rule do not apply to a direct conversion.
- You **do not need this form** if you are completing an *indirect conversion*. If you would like to take ownership of your Traditional, SIMPLE, or SEP IRA assets and redeposit those assets in a Roth IRA, please call your current custodian for instructions on how to complete an indirect conversion.
- If you are age 70½ or older in this calendar year, you generally must take a Required Minimum Distribution (RMD) before you convert your IRA. Failure to do so could result in a penalty of 50% of the RMD amount.
- If this is a reconversion of assets that were previously converted, you must ensure that you reconvert these assets after the later of January 1st of the year following the original conversion, or 30 days after the recharacterization.
- If this is a conversion from a SIMPLE IRA at another custodian, you must wait at least 2 years from the date of establishment before converting your SIMPLE IRA assets.
- A conversion (direct or indirect) is considered a distribution and therefore will be treated as a tax reportable event. You will receive a 1099-R tax form by January 31st and a 5498 tax form by May 31st of the following year.
- The CGM Funds do charge fees, when applicable, for accounts involved in a conversion. These fees include a:
  - \$5 establishment fee per application
  - \$15 annual maintenance fee per account
  - \$5 close out fee per account
- Please consult a professional tax adviser regarding these IRS regulations before converting.

# CGM FUNDS DIRECT CONVERSION FORM

## 6. FEDERAL TAX WITHHOLDING NOTICE INFORMATION

### General Information

Distributions from your CGM IRA are treated as nonperiodic payments for federal income tax purposes. Generally, nonperiodic payments must have federal income tax withheld at a rate not less than 10 percent, unless you elect to waive this withholding.

### Revoking or Changing Withholding

To have federal income tax withheld from your IRA distribution or to change or revoke a previously filed withholding election, you must submit this form or a completed Form W-4P. Your election will remain in effect for any subsequent distributions unless you change or revoke it.

A U.S. citizen or resident alien may not waive withholding on any distribution delivered outside of the U.S. or its possessions. Distributions to a nonresident alien are generally subject to a tax withholding rate of 30 percent. A reduced withholding rate, including exemption, may apply if there is a tax treaty between the nonresident alien's country of residence and the United States, and the nonresident alien submits Form W8-BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or satisfies the documentation requirements as provided under the regulations. For more information, please consult your tax advisor or visit the IRS website, [www.irs.gov](http://www.irs.gov).

If you do not elect to have federal tax (and, if applicable, state tax) withheld from your distribution then you are responsible for the full payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution. You may be responsible for estimated tax payments and could incur penalties if your estimated tax payments are not sufficient. Please consult your tax advisor or visit the IRS website, [www.irs.gov](http://www.irs.gov), for more information on tax requirements and penalties.

### Statement Of Income Tax Withheld From Your IRA

Each January, you will receive a statement from UMB Bank, n.a. showing the total amount of your IRA distributions and the total federal and state income tax withheld during the year.

## 7. STATE TAX WITHHOLDING

### Mandatory Withholding

Certain states may require mandatory state tax withholding. If you are a resident of such a state, and you elect to have federal income tax withheld from your distribution, then we will automatically withhold taxes at your state's required rate. The states currently mandating withholding are: Arkansas, California, Delaware, Iowa, Kansas, Maine, Maryland\*, Massachusetts, Mississippi (certain exceptions to the mandatory state tax withholding in Mississippi may apply), Nebraska\*, North Carolina, Oklahoma, Oregon, Vermont, and Virginia\*.

\*Mandatory state tax for Maryland, Nebraska, and Virginia is only applicable to non-IRA retirement accounts (ie: 430(b)(7)s, Profit Sharing Plans, Money Purchase Pension Plans).

If you are a resident of the District of Columbia then income tax will be withheld at your state's required rate regardless of your federal income tax withholding election. For any partial withdrawals or systematic withdrawals, please contact CGM Shareholder Services at 800-343-5678 if you wish to request a waiver for this state withholding.

If you are a resident of Michigan income tax will also be withheld at your state's required rate regardless of your federal income tax withholding election. If eligible, Michigan state residents must submit a completed MI-W4P Form in order to waive the mandatory state withholding for all future distributions.

Each state sets its own withholding rates and requirements on taxable distributions. You are responsible for paying your federal, state, and local income taxes and any penalties, including penalties for insufficient withholding. This information on state withholding is subject to change. Please contact your state's Department of Revenue or a professional tax advisor if you have questions about the withholding policy of your state.

### Voluntary Withholding

Although some states permit voluntary withholding, CGM is unable to comply with requests for voluntary withholding.

## 8. SIGNATURE

I authorize you to convert my Traditional, SEP, or SIMPLE IRA assets in the account(s) listed on this form to a CGM Roth IRA. I have indicated my existing Roth IRA account number(s) or, if establishing a new Roth IRA account with this transaction, I have attached a completed CGM Funds IRA Account Application. I understand that this request is irrevocable and the conversion is a reportable movement of assets and is a taxable event. I have read and understand the rules and conditions indicated on this form and I have met the requirements for making a conversion to a Roth IRA. Due to the important tax consequences of converting assets to a Roth IRA, I have been advised to consult a professional tax adviser. All information provided by me is true and correct, and may be relied upon by the Custodian. I assume responsibility for this conversion transaction and will not hold the Custodian liable for any adverse consequences that may result. I hereby irrevocably designate the contribution indicated above as a conversion to a Roth IRA.

X

Signature

Date

### ACCEPTANCE BY CUSTODIAN:

UMB Bank, n.a. agrees to accept transfer of the above amount for deposit to the Depositor's UMB Bank, n.a. Individual Retirement Custodial Account, and agrees to serve as the Custodian of the IRA Custodial Account established for the benefit of the above-named individual.

See attached Letter of Acceptance for the signature of an authorized officer of the custodial agent.

**Questions? Call 800-598-0782**

Return this form to: The CGM Funds, c/o BFDS, P.O. Box 8511, Boston, MA 02266-8511  
or by overnight mail to 30 Dan Road, Canton, MA 02021-2809